



# Employer Training Practices

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# **EMPLOYER TRAINING PRACTICES**

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### INQUIRIES

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## MAIN FEATURES

### About this publication

This publication primarily presents the results of the Training Practices Survey, 1994. The sample of employers for this survey was the same as that for the Training Expenditure Survey conducted in 1993. The results of these two surveys are therefore directly comparable (see Explanatory Notes).

### Reasons for training employees

Thirty-two per cent of Australian employers reported providing some formal training for their employees during the 12 month period ending February 1994.

The percentages given in the rest of this section are presented as a proportion of employers who provided formal training for their employees during the reference period, unless otherwise stated.

Improved work performance was reported by 80 per cent of employers as a reason for training employees. To enable employees to move to other positions within the organisation and to multi-skill employees, were the next two most common reasons for training (reported by 41% and 40% of employers respectively).

Almost half the employers who reported training (44%) also reported that their training expenditure increased during the previous 12 months. Technological change was the factor most often reported as having increased training expenditure (30% of employers), followed by quality assurance (26% of employers).

Time constraints and cost constraints were reported as the most common limitations to the amount of training provided by employers for their employees (56% and 41% of employers respectively).

### Provision of training

Almost all employers who formally trained employees used external training providers to meet part, or all of their training needs (92%). A lesser proportion (62%) reported providing in-house training for their employees during the reference period.

In February 1994, it is estimated that employers in Australia employed 15,800 full-time trainers to provide training for their employees. There was approximately one full-time trainer for every three hundred and fifty employees.

### Employees receiving training

Overall, Clerks, sales and service workers, and Managers and professionals employed by large organisations (those with 100 or more employees) were the employees most likely to have received formal training during the reference period. Labourers and plant operators in small organisations (those with less than 20 employees) were the least likely to have received formal training during the reference period.

**Impact of the Training Guarantee**

Eighty-five per cent of employers above the Training Guarantee threshold (employers with an annual payroll of \$226,000 or more) reported providing formal training for their employees during the 12 month period ending February 1994.

More than half the employers above the threshold (57%) reported that the introduction of the Training Guarantee legislation in 1990 had resulted in increased expenditure on training for their employees.

Generally, large employers reported the legislation had a positive impact on their training practices more often than small employers. For example, 60 per cent of large employers compared with 40 per cent of small employers above the threshold (who reported training), reported the legislation had a positive impact on the way training is planned.

## TRAINING PRACTICES

### Reasons for training employees

Improving employees' work performance was the reason reported most often by employers for formally training their employees (80%). Other reasons for formal training during the 12 month period ending February 1994 were: to enable employees to move to other positions within the organisation (41%); to multi-skill employees (40%); and to meet the requirements of the Training Guarantee legislation (30%).

### by employer size

Each of the reasons for training listed in Table 1 were reported more frequently by large than small employers.

Training employees to enable them to move to other positions within the organisation, and multi-skilling of employees were reported twice as often by large than small employers.

Meeting the requirements of the Training Guarantee legislation was listed as a reason for training by a higher proportion of medium sized organisations (46%) than large or small organisations (31% and 24% respectively).

**TABLE 1. EMPLOYERS REPORTING TRAINING: REASONS FOR TRAINING EMPLOYEES(a) DURING THE LAST 12 MONTHS – EMPLOYER SIZE BY SECTOR, FEBRUARY 1994**

Per cent of employers				
Reasons for training	1-19 employees	20-99 employees	100 or more employees	Total
PRIVATE				
Improve work performance of employees	75.7	86.4	95.6	79.4
Enable movement to other positions within organisation(b)	34.9	47.9	66.9	39.9
Multi-skill employees	32.5	51.4	66.0	39.0
Meet Training Guarantee requirements	23.6	45.9	30.5	29.1
PUBLIC				
Improve work performance of employees	72.4	99.2	97.1	93.8
Enable movement to other positions within organisation(b)	68.9	48.7	75.5	62.9
Multi-skill employees	82.4	*47.9	84.2	68.3
Meet Training Guarantee requirements	*48.7	46.4	31.5	40.8
TOTAL				
Improve work performance of employees	75.6	87.2	95.8	79.8
Enable movement to other positions within organisation(b)	35.2	47.9	68.5	40.6
Multi-skill employees	32.9	51.2	69.3	39.9
Meet Training Guarantee requirements	23.8	46.0	30.7	29.5

(a) Employers may have more than one reason for training employees.

(b) Includes employees being trained to move to more highly skilled or responsible positions within the organisation, or to fill identified vacant positions from within the organisation.

\* Subject to sampling variability too high for most practical purposes (see Technical Notes).

## TRAINING PRACTICES *CONTINUED*

by sector

Each of the reasons for training listed in Table 1 were reported more frequently by employers in the public than private sector.

by industry

In each industry, improved work performance was reported most often as a reason for training employees (ranging from 94% of employers in the Electricity, gas and water, and Communication industries, to 66% in the Construction industry). (Table 2)

Multi-skilling was reported as a reason for training employees by at least half the employers in five industries. More employers in the Public administration and defence industry (78%) reported multi-skilling as a reason for training than in any other industry. It was reported least often by employers in the Construction industry (26%).

Seventy-three per cent of employers in the Electricity, gas and water industry reported the Training Guarantee legislation was a reason for training employees. This was a significantly higher proportion than in any other industry.

**TABLE 2. EMPLOYERS REPORTING TRAINING: REASONS FOR TRAINING EMPLOYEES(a) DURING THE LAST 12 MONTHS – INDUSTRY, FEBRUARY 1994**

Industry	Per cent of employers			
	Improve work performance	Enable movement to other positions within organisation(b)	Multi-skill employees	Meet Training Guarantee requirements
Mining	67.7	40.3	63.9	*29.0
Manufacturing	78.8	52.8	40.0	36.7
Electricity, gas and water	93.6	39.1	*59.0	72.7
Construction	66.3	38.1	26.1	24.1
Wholesale and retail trade	83.8	31.0	31.6	27.0
Transport and storage	76.2	41.3	36.2	35.9
Communication	93.6	51.3	57.8	30.7
Finance, property and business services	76.4	40.4	57.0	24.5
Public administration and defence	92.3	65.3	78.3	47.5
Community services	86.5	41.9	37.8	27.4
Recreation, personal and other services	78.5	43.6	41.8	33.4
<b>Total</b>	<b>79.8</b>	<b>40.6</b>	<b>39.9</b>	<b>29.5</b>

(a) Employers may have more than one reason for training employees.

(b) Includes employees being trained to move to more highly skilled or responsible positions within the organisation, or to fill identified vacant positions from within the organisation.

## TRAINING PRACTICES *CONTINUED*

### How training needs were determined

Thirty-nine per cent of employers who provided formal training for employees reported using a formal method to determine at least some of the training needs of their employees, during the 12 month period ending February 1994. A greater proportion of employers (66%) used informal methods than formal methods. (Table 3)

Less than one-fifth of employers who provided training (18%) reported using no methods to determine the training needs of their employees during the reference period.

Thirty per cent of employers reported a formal method was the way in which training needs were most often determined during the reference period. Performance appraisal was used most often by slightly more organisations than formal training needs analysis (17% and 13% respectively).

The majority of employers however (52%), reported informal methods were used to determine training needs most often during the reference period.

**TABLE 3. EMPLOYERS REPORTING TRAINING: METHODS USED TO DETERMINE TRAINING NEEDS OF EMPLOYEES DURING THE LAST 12 MONTHS – EMPLOYER SIZE, FEBRUARY 1994**

Per cent of employers				
<i>Method</i>	<i>1–19 employees</i>	<i>20–99 employees</i>	<i>100 or more employees</i>	<i>Total</i>
ALL METHODS USED(a)				
Formal methods				
Training needs analysis	15.3	28.2	52.9	21.1
Performance appraisal	20.3	39.5	59.2	27.7
<i>Either method</i>	29.4	53.4	78.3	38.6
Informal methods	64.1	69.6	71.9	66.0
No methods	22.9	6.7	*	17.8
METHOD USED MOST OFTEN				
Formal methods				
Training needs analysis	10.1	15.7	27.9	12.7
Performance appraisal	13.7	24.4	25.0	17.1
<i>Either method</i>	23.8	40.1	53.9	29.9
Informal methods	53.3	53.1	41.3	52.4
No methods	22.9	6.7	*	17.8
Total	100.0	100.0	100.0	100.0

(a) Employers may have used more than one method to determine training needs of employees.

## TRAINING PRACTICES CONTINUED

### by employer size

Formal methods were used by more large than small employers to determine at least some of the training needs of their employees during the reference period (78% compared with 29%). The use of informal methods did not vary as much between employer sizes (72% of large compared with 64% of small employers). This indicates that whereas large employers were likely to use both formal and informal methods, small employers more often relied entirely on informal methods.

More than half of large employers (54%) compared with less than one-quarter of small employers (24%) reported training needs were determined most often during the reference period, by formal methods. The majority of medium and small employers used informal methods most often to determine their training needs.

### by sector

The proportions of employers using formal and informal methods to determine training needs were similar between the private and public sectors for medium and large employers. Small employers in the private sector were least likely to use formal methods to determine their training needs. (Unpublished data)

**TABLE 4. EMPLOYERS REPORTING TRAINING: METHODS USED TO DETERMINE TRAINING NEEDS OF EMPLOYEES(a) DURING THE LAST 12 MONTHS – INDUSTRY, FEBRUARY 1994**

Industry	Per cent of employers				
	Formal methods			Informal methods	No methods
	Training needs analysis	Performance appraisal	Either method		
Mining	*25.0	63.3	67.7	61.2	*
Manufacturing	19.0	30.4	40.8	65.2	*13.9
Electricity, gas and water	*46.4	*58.0	*63.9	72.7	*
Construction	11.3	16.4	25.6	49.8	33.3
Wholesale and retail trade	23.5	27.5	38.5	61.6	*23.3
Transport and storage	31.5	31.7	49.6	63.7	*11.0
Communication	51.3	46.5	61.6	80.2	3.1
Finance, property and business services	16.8	24.5	33.3	73.0	*
Public administration and defence	35.4	43.9	59.8	70.3	*
Community services	21.5	24.5	37.6	79.9	*
Recreation, personal and other services	26.0	35.2	47.1	63.0	14.2
<b>Total</b>	<b>21.1</b>	<b>27.7</b>	<b>38.6</b>	<b>66.0</b>	<b>17.8</b>

(a) Employers may have used more than one method to determine training needs of employees.



## TRAINING PRACTICES CONTINUED

### by industry

In three industries, more than 60 per cent of the employers reported using formal methods to help determine training needs of employees, during the 12 month period ending February 1994. Mining industry employers reported using formal methods most frequently (68%). Mining was the only industry where more employers reported using formal than informal methods. (Table 4)

Of the formal methods, Communication was the only industry where a higher proportion of employers used formal training needs analysis than performance appraisal (51% compared with 47%).

The Construction industry had the highest proportion of employers who reported they did not determine the training needs of their employees (33%).

### Who determined training needs

Managers (72%) were most likely during the reference period to have determined the training needs of employees in each employer size group. External consultants were least involved in determining training needs but were employed more often by large than small organisations (18% and 7% respectively). (Table 5)

**TABLE 5. EMPLOYERS REPORTING TRAINING: PERSONS INVOLVED IN DETERMINING THE TRAINING NEEDS OF EMPLOYEES DURING THE LAST 12 MONTHS – EMPLOYER SIZE, FEBRUARY 1994**

Persons involved	Per cent of employers			Total
	1-19 employees	20-99 employees	100 or more employees	
Managers/proprietor	67.5	82.7	81.4	72.1
Immediate supervisors	20.0	49.5	76.9	31.2
Individual employees	25.6	29.1	47.3	28.0
Trainers/training manager	6.9	23.2	55.4	14.3
External consultants	7.2	10.5	18.0	8.8

### by sector

The greatest difference between the public and private sectors was in the number of organisations reporting that supervisors helped determine training needs of employees (71% of public compared with 30% of private sector organisations). Similarly, a higher proportion of public (61%) than private sector (27%) employers reported that individual employees were given the opportunity to determine their own training needs. (Unpublished data)

## TRAINING PRACTICES *CONTINUED*

### Factors that limited training

Time and cost constraints were the most common limitations to the amount of training provided for employees during the 12 month period ending February 1994, regardless of employer size or sector. (Tables 6 and 7)

Large employers reported time and cost constraints limited the amount of training provided for employees more often than small employers. For example, 69 per cent of large employers compared with 51 per cent of small employers, reported time constraints limited the amount of training provided during the reference period. (Table 6)

External providers running courses at unsuitable times was reported by 13 per cent of employers as a factor that limited training during the reference period. This factor was reported more often by public than private sector employers (23% compared with 13%). (Table 7)

'All current employees adequately trained' was the only other factor reported by more than 10 per cent of employers as a limitation on training. Thirteen per cent of small employers reported this as a limitation compared with three per cent of large employers. (Table 6)

**TABLE 6. EMPLOYERS REPORTING TRAINING: FACTORS LIMITING THE AMOUNT OF TRAINING PROVIDED TO EMPLOYEES DURING THE LAST 12 MONTHS – EMPLOYER SIZE, FEBRUARY 1994**

<i>Factors</i>	<i>Per cent of employers</i>			<i>Total</i>
	<i>1–19 employees</i>	<i>20–99 employees</i>	<i>100 or more employees</i>	
Time constraints	51.0	65.8	68.6	<b>55.8</b>
Cost constraints	38.9	45.4	51.1	<b>41.3</b>
External providers ran courses at unsuitable times	13.1	13.1	11.7	<b>13.0</b>
All current employees adequately trained	12.7	8.6	3.2	<b>11.0</b>
No suitable external training available	7.0	10.4	15.8	<b>8.4</b>
Only recruited trained people	6.2	2.9	3.0	<b>5.2</b>
Lack of qualified trainers	*2.5	5.6	10.7	<b>3.8</b>
Risk of losing trained employees	*1.8	*3.6	0.9	<b>*2.1</b>
Industrial relations issues	*	*0.8	3.6	<b>0.7</b>
No limitations	24.1	19.1	17.0	<b>22.4</b>

## TRAINING PRACTICES *CONTINUED*

**TABLE 7. EMPLOYERS REPORTING TRAINING: SELECTED FACTORS LIMITING  
THE AMOUNT OF TRAINING PROVIDED TO EMPLOYEES DURING THE  
LAST 12 MONTHS – SECTOR, FEBRUARY 1994**

<i>Per cent of employers</i>			
<i>Factors</i>	<i>Private</i>	<i>Public</i>	<i>Total</i>
Time constraints	55.1	74.5	<b>55.8</b>
Cost constraints	40.7	60.6	<b>41.3</b>
External providers ran courses at unsuitable times	12.7	23.4	<b>13.0</b>
All current employees adequately trained	11.3	*2.7	<b>11.0</b>
No suitable external training available	8.2	*14.8	<b>8.4</b>
Only recruited trained people	5.3	*1.9	<b>5.2</b>
Lack of qualified trainers	3.6	*10.7	<b>3.8</b>
No limitations	22.8	*11.8	<b>22.4</b>

## CHANGE IN TRAINING EXPENDITURE

### Change in training expenditure

In the 12 month period ending February 1994, almost half the employers who formally trained their employees (44%) reported increased training expenditure. Fifty-one per cent of employers reported their expenditure on training had not changed and five per cent of employers reported decreased expenditure. (Table 8)

### by employer size

More large than small employers (71% compared with 36%) reported increased training expenditure during the reference period. Fifty-nine per cent of small employers reported their training expenditure did not change in the reference period.

The low proportion of organisations that reported a decrease in training expenditure during the 12 month period was similar in organisations of different sizes.

**TABLE 8. EMPLOYERS REPORTING TRAINING: CHANGE IN TRAINING EXPENDITURE DURING THE LAST 12 MONTHS – EMPLOYER SIZE BY SECTOR, FEBRUARY 1994**

Per cent of employers				
Training expenditure	1–19 employees	20–99 employees	100 or more employees	Total
PRIVATE				
Increased expenditure	36.3	56.8	71.5	43.2
Decreased expenditure	4.9	3.6	5.8	4.6
No change in expenditure	58.9	39.6	22.7	52.2
Total	100.0	100.0	100.0	100.0
PUBLIC				
Increased expenditure	*57.1	62.3	67.8	63.6
Decreased expenditure	*	*	9.2	*12.5
No change in expenditure	*	*	23.0	23.9
Total	100.0	100.0	100.0	100.0
TOTAL				
Increased expenditure	36.4	57.1	70.8	43.8
Decreased expenditure	4.9	4.5	6.4	4.9
No change in expenditure	58.7	38.4	22.8	51.3
Total	100.0	100.0	100.0	100.0

## CHANGE IN TRAINING EXPENDITURE *CONTINUED*

### *by sector*

Similar proportions of medium and large employers in both sectors reported training expenditure increased during the 12 month reference period. The greatest proportion of employers reporting increased expenditure were large employers in the private sector (72%). Small employers in the private sector reported increased training expenditure least often (36%).

Approximately half of private sector compared with one-quarter of public sector organisations (52% and 24% respectively) reported their overall level of expenditure on training in the reference period did not change.

A lower proportion of organisations in the private than public sector reported training expenditure decreased during the reference period (5% compared with 13%). This is consistent with the time and cost constraints reported in Table 7.

### *by industry*

The industries with the greatest proportion of employers reporting increased training expenditure were Electricity, gas and water and Public administration and defence (80% and 69% respectively). (Table 9)

Employers in the Construction, Wholesale and retail trade and Manufacturing industries most frequently reported that overall training expenditure had not changed in the 12 month reference period (66%, 55% and 53% respectively).

**TABLE 9. EMPLOYERS REPORTING TRAINING: CHANGE IN TRAINING EXPENDITURE DURING THE LAST 12 MONTHS – INDUSTRY, FEBRUARY 1994**

Industry	Per cent of employers			
	Training expenditure			Total
	Increased	Decreased	Unchanged	
Mining	44.9	*	42.5	100.0
Manufacturing	42.6	*4.4	53.0	100.0
Electricity, gas and water	80.1	*1.2	*	100.0
Construction	31.2	*3.2	65.5	100.0
Wholesale and retail trade	40.7	*4.0	55.3	100.0
Transport and storage	50.7	*1.1	48.2	100.0
Communication	55.9	18.5	25.6	100.0
Finance, property and business services	44.3	*	48.1	100.0
Public administration and defence	68.9	*	*22.7	100.0
Community services	54.3	*3.5	42.2	100.0
Recreation, personal and other services	41.9	*	50.6	100.0
<b>Total</b>	<b>43.8</b>	<b>4.9</b>	<b>51.3</b>	<b>100.0</b>

## CHANGE IN TRAINING EXPENDITURE *CONTINUED*

*by amount spent on training*

Using data derived from the Training Expenditure Survey, 1993, average training expenditure was least for small and medium sized employers who reported they had decreased training expenditure during the 12 month period ending February 1994. (Table 10)

On the other hand, large employers whose training expenditure decreased, reported higher average training expenditure than other large employers whose training expenditure either increased or remained the same during the reference period.

**TABLE 10. EMPLOYERS REPORTING TRAINING: CHANGE IN TRAINING EXPENDITURE DURING THE LAST 12 MONTHS – AVERAGE TRAINING EXPENDITURE(a) BY EMPLOYER SIZE, FEBRUARY 1994**

Per cent of gross wages and salaries				
<i>Change in training expenditure</i>	<i>1–19 employees</i>	<i>20–99 employees</i>	<i>100 or more employees</i>	<i>Total</i>
Increased expenditure	3.7	3.0	3.2	<b>3.2</b>
Decreased expenditure	*2.2	2.0	3.8	<b>3.6</b>
No change in expenditure	3.2	3.0	2.9	<b>3.0</b>
<b>Total</b>	<b>3.3</b>	<b>3.0</b>	<b>3.2</b>	<b>3.2</b>

(a) Average training expenditure has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

**TABLE 11. EMPLOYERS REPORTING TRAINING: EFFECT OF SELECTED FACTORS ON TRAINING EXPENDITURE DURING THE LAST 12 MONTHS, FEBRUARY 1994**

Per cent of employers				
<i>Factors affecting training expenditure</i>	<i>Training expenditure</i>			<i>Total</i>
	<i>Increased</i>	<i>Decreased</i>	<i>Unchanged</i>	
Technological change	30.3	*	69.3	<b>100.0</b>
Quality assurance	25.6	*	73.8	<b>100.0</b>
Training Guarantee legislation	22.7	*0.8	76.5	<b>100.0</b>
Restructuring of organisation	18.7	1.6	79.8	<b>100.0</b>
Other legislation(a)	14.9	*0.9	84.2	<b>100.0</b>
Ease of access to external training	12.9	3.4	83.7	<b>100.0</b>
Award restructuring	9.7	*0.9	89.5	<b>100.0</b>
Difficulty in recruiting skilled labour	9.7	*1.0	89.3	<b>100.0</b>
Competition from other businesses	8.8	*0.8	90.4	<b>100.0</b>

(a) Other legislation includes all forms of legislation other than the Training Guarantee legislation.

## CHANGE IN TRAINING EXPENDITURE *CONTINUED*

### Factors that decreased training expenditure

A small proportion of employers reported a decrease in training expenditure due to the factors listed in Table 11. Ease of access to external training was the factor that caused the largest proportion of employers (3%) to decrease training expenditure during the reference period.

### Factors that increased training expenditure

Employers reported that three factors were most likely to have increased training expenditure during the 12 month period ending February 1994. Technological change was the factor reported most often by employers (30%), followed by quality assurance (26%), and the Training Guarantee legislation (23%). (Table 12)

**TABLE 12. EMPLOYERS REPORTING TRAINING: SELECTED FACTORS THAT INCREASED TRAINING EXPENDITURE DURING THE LAST 12 MONTHS—EMPLOYER SIZE, FEBRUARY 1994**

<i>Factors increasing training expenditure</i>	<i>Per cent of employers</i>			<i>Total</i>
	<i>1-19 employees</i>	<i>20-99 employees</i>	<i>100 or more employees</i>	
<i>One or more factor(s) increased expenditure</i>	<i>44.1</i>	<i>78.8</i>	<i>91.2</i>	<i>55.8</i>
Technological change	23.0	42.2	60.7	30.3
Quality assurance	18.7	36.3	55.5	25.6
Training Guarantee legislation	16.2	39.8	28.0	22.7
Restructuring of organisation	12.6	27.9	45.5	18.7
Other legislation(a)	7.7	24.8	50.8	14.9
Ease of access to external training	10.8	16.6	20.4	12.9
Award restructuring	*5.3	15.2	32.8	9.7
Difficulty in recruiting skilled labour	7.8	14.5	12.1	9.7
Competition from other businesses	5.3	14.5	24.1	8.8
<i>No factor increased expenditure</i>	<i>55.9</i>	<i>21.2</i>	<i>8.8</i>	<i>44.2</i>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) Other legislation includes all forms of legislation other than the Training Guarantee legislation.

## CHANGE IN TRAINING EXPENDITURE *CONTINUED*

### *by employer size*

A higher proportion of large than small employers reported that one or more of the factors listed in Table 12, increased their training expenditure during the reference period (91% compared with 44%).

Technological change was the factor reported most often by employers in each size group as having caused increased training expenditure. However, this affected more large than small employers (61% compared with 23%).

The Training Guarantee legislation was reported more often by medium (40%) than either small or large employers (16% and 28% respectively), as a reason for increased training expenditure during the reference period. A large number of small employers would have a payroll below the Training Guarantee threshold and would not therefore be influenced by it.

### *by sector*

A greater proportion of employers in the public than private sector reported each of the factors listed in Graph 1, increased their training expenditure during the reference period.

Employers in both sectors reported technological change most often as a reason for increased training expenditure. In the public sector, the second most common reason for increased expenditure was restructuring of the organisation, whereas in the private sector it was quality assurance.

**GRAPH 1. EMPLOYERS REPORTING TRAINING: SELECTED FACTORS THAT INCREASED TRAINING EXPENDITURE DURING THE LAST 12 MONTHS - SECTOR, FEBRUARY 1994**



(a) Other legislation includes all forms of legislation other than the Training Guarantee legislation.



## CHANGE IN TRAINING EXPENDITURE CONTINUED

by industry

Employers in all industries, except Manufacturing, Electricity, gas and water and Construction, reported technological change most often as a reason why their training expenditure increased. (Table 13)

Technological change had the most impact on employers in the Communication, and Public administration and defence industries, where 81 per cent and 57 per cent of employers, respectively, reported an increase due to this factor.

In the Manufacturing and Construction industries, quality assurance most often caused employers to increase training expenditure (30% and 20% respectively). In the Electricity, gas and water industry, it was legislation other than the Training Guarantee legislation (65%), that most often caused employers to increase training.

**TABLE 13. EMPLOYERS REPORTING TRAINING: SELECTED FACTORS THAT INCREASED TRAINING EXPENDITURE DURING THE LAST 12 MONTHS – INDUSTRY, FEBRUARY 1994**

Industry	Per cent of employers				
	Technological change	Quality assurance	Training Guarantee legislation	Restructuring of organisation	Other legislation(a)
Mining	38.6	*21.9	*32.4	*19.3	*29.8
Manufacturing	27.0	29.7	28.7	16.1	22.0
Electricity, gas and water	*46.4	60.9	*	*53.0	64.5
Construction	19.7	20.1	19.2	*14.2	10.3
Wholesale and retail trade	27.0	23.9	21.7	15.1	9.0
Transport and storage	33.2	29.5	27.5	25.9	22.5
Communication	80.5	*36.5	18.6	26.7	30.0
Finance, property and business services	33.3	23.0	20.9	16.2	*9.0
Public administration and defence	57.4	*24.9	*35.0	49.0	46.7
Community services	40.6	31.0	*18.3	*26.6	*25.4
Recreation, personal and other services	28.2	21.9	23.3	20.3	6.8
<b>Total</b>	<b>30.3</b>	<b>25.6</b>	<b>22.7</b>	<b>18.7</b>	<b>14.9</b>

(a) Other legislation includes all forms of legislation other than the Training Guarantee legislation.

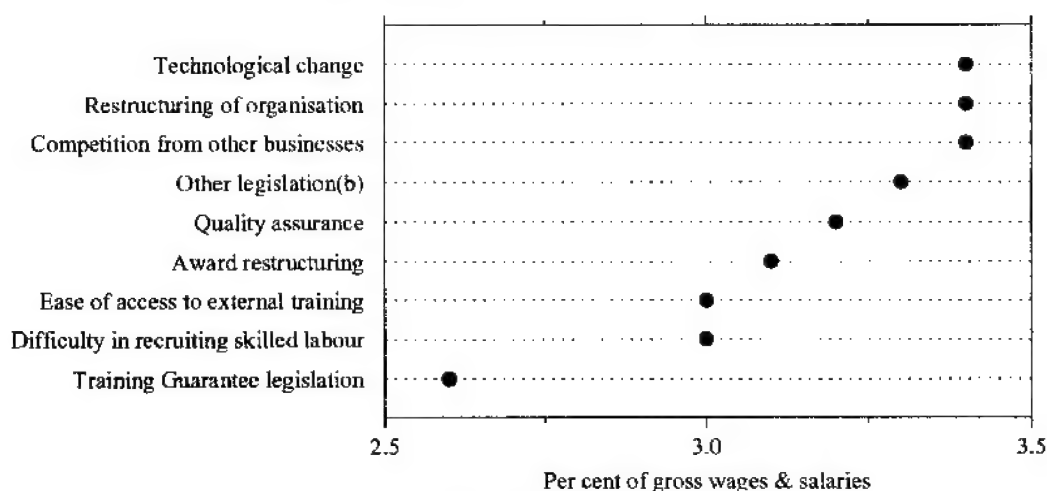
## CHANGE IN TRAINING EXPENDITURE *CONTINUED*

*by amount spent on training*

Using data derived from the Training Expenditure Survey, 1993, average training expenditure was highest for employers who reported increased training expenditure due to technological change, restructuring of the organisation or competition from other businesses (3.4% of gross wages and salaries). (Graph 2)

By comparison, employers who reported training expenditure increased due to the Training Guarantee legislation spent on average 2.6% of gross wages and salaries during the same period.

**GRAPH 2. AVERAGE TRAINING EXPENDITURE(a): EMPLOYERS REPORTING AN INCREASE IN TRAINING EXPENDITURE DURING THE LAST 12 MONTHS DUE TO SELECTED FACTORS, FEBRUARY 1994**



(a) Average training expenditure has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

(b) Other legislation includes all forms of legislation other than the Training Guarantee legislation.

## THE TRAINING GUARANTEE

Analysis in this section has been restricted to employers above the threshold of the Training Guarantee legislation who reported providing training for employees during the reference period. In 1993-94, this legislation required employers with an annual payroll above \$226,000 to spend the equivalent of 1.5 per cent of their payroll on training their employees.

### Impact of the Training Guarantee on employee training

Overall, the Training Guarantee legislation had a positive impact on employers more often than a negative impact. Half the employers above the threshold reported the Training Guarantee legislation had a positive impact on the 'total amount of training provided to all employees'. This was the highest proportion of employers to report a positive impact of the legislation on any of the training practices listed in Table 14.

The factors that caused the most employers (7%) to report that the legislation had a negative impact were: 'management attitudes to training' and 'way training budgets are planned'.

The factors that most employers reported the legislation did not affect were: 'methods of evaluating training' and 'consultation with employees on training issues' (60% and 59% respectively).

**TABLE 14. EMPLOYERS ABOVE THE TRAINING GUARANTEE THRESHOLD(a) REPORTING TRAINING:  
IMPACT OF THE TRAINING GUARANTEE ON TRAINING PRACTICES SINCE 1990, FEBRUARY 1994**  
Per cent of employers

<i>Training practices</i>	<i>Positive impact</i>	<i>Negative impact</i>	<i>No impact</i>	<i>Total(b)</i>
Total amount of training provided to all employees	49.9	*2.4	44.1	100.0
Management attitudes to training	47.0	7.0	42.3	100.0
Way training is planned	46.6	4.6	44.3	100.0
Methods of providing training to employees	42.1	3.8	49.8	100.0
Amount of training provided to lower skilled employees	36.0	2.9	54.6	100.0
Consultation with employees on training issues	35.3	2.4	58.6	100.0
Way training budgets are planned	34.8	6.9	51.6	100.0
Methods of evaluating training	27.6	3.8	60.0	100.0

(a) The Training Guarantee threshold is \$226,000 gross wages and salaries per year. This has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

(b) Total includes employers who reported 'Don't Know'.

by employer size

Generally, large employers reported more often than medium or small employers that the Training Guarantee legislation had a positive impact on their training practices. (Table 15)

The greatest difference between large and small employers was in the proportion who reported the legislation had a positive impact on the 'way training is planned' (60% compared with 40%).

On the other hand, there was least difference between large and small employers in the proportions reporting a positive impact on the factors 'total amount of training provided to all employees' (50% compared with 48%) and 'amount of training provided to lower skilled employees' (36% compared with 38%).

**TABLE 15. EMPLOYERS ABOVE THE TRAINING GUARANTEE THRESHOLD<sup>(a)</sup> REPORTING TRAINING: PROPORTION REPORTING A POSITIVE IMPACT OF THE TRAINING GUARANTEE ON TRAINING PRACTICES SINCE 1990, FEBRUARY 1994**

Training practices	Per cent of employers			Total
	1-19 employees	20-99 employees	100 or more employees	
Total amount of training provided to all employees	48.0	51.9	49.7	49.9
Management attitudes to training	43.5	47.4	56.3	47.0
Way training is planned	40.2	48.6	59.5	46.6
Methods of providing training to employees	37.4	43.4	51.9	42.1
Amount of training provided to lower skilled employees	38.0	34.0	36.1	36.0
Consultation with employees on training issues	33.1	36.7	37.4	35.3
Way training budgets are planned	32.9	33.8	43.0	34.8
Methods of evaluating training	21.4	30.6	36.9	27.6

(a) The Training Guarantee threshold is \$226,000 gross wages and salaries per year. This has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

### Impact of the Training Guarantee on training expenditure

Fifty-seven per cent of employers with a payroll above the Training Guarantee threshold, reported their expenditure on employee training had increased due to the introduction of the Training Guarantee legislation in 1990. This was more often reported as a small, rather than a large increase in training expenditure (38% and 20% respectively). (Table 16)

Slightly more than one-quarter of employers (27%) reported the legislation had no impact on training expenditure since 1990. Almost twice as many large than small employers were in this category (41% compared with 22%).

Fifteen per cent of all employers above the threshold reported that they did not provide formal training for their employees during the 12 month period ending February 1994. These were more often small than large employers (25% compared with 1%).

## THE TRAINING GUARANTEE *CONTINUED*

**TABLE 16. EMPLOYERS ABOVE THE TRAINING GUARANTEE THRESHOLD(a): IMPACT OF THE TRAINING GUARANTEE ON TRAINING EXPENDITURE SINCE 1990 — EMPLOYER SIZE, FEBRUARY 1994**

<i>Impact of Training Guarantee</i>	<b>Per cent of employers</b>			<b>Total</b>
	<i>1-19 employees</i>	<i>20-99 employees</i>	<i>100 or more employees</i>	
Training reported —				
Large increase in expenditure	16.4	22.8	21.7	<b>19.6</b>
Small increase in expenditure	35.2	40.6	36.1	<b>37.5</b>
No change in expenditure	21.7	29.3	40.7	<b>27.0</b>
Decrease in expenditure	*	*0.5	0.9	<b>*1.0</b>
No training reported(b)	25.0	6.7	*0.7	<b>14.9</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

(a) The Training Guarantee threshold is \$226,000 gross wages and salaries per year. This has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

(b) During the 12 month period ending February 1994.

*training only to meet Training Guarantee requirements*

Six per cent of employers above the Training Guarantee threshold who formally trained employees, reported the Training Guarantee legislation as the only reason for their training expenditure during the reference period. More small than large employers were in this category. (Table 17)

All employers who reported that this legislation was the only reason for training were in the private sector.

**TABLE 17. EMPLOYERS ABOVE THE TRAINING GUARANTEE THRESHOLD(a) REPORTING TRAINING: TRAINING GUARANTEE LEGISLATION WAS THE ONLY REASON FOR TRAINING PRACTICES DURING THE LAST 12 MONTHS — EMPLOYER SIZE, FEBRUARY 1994**

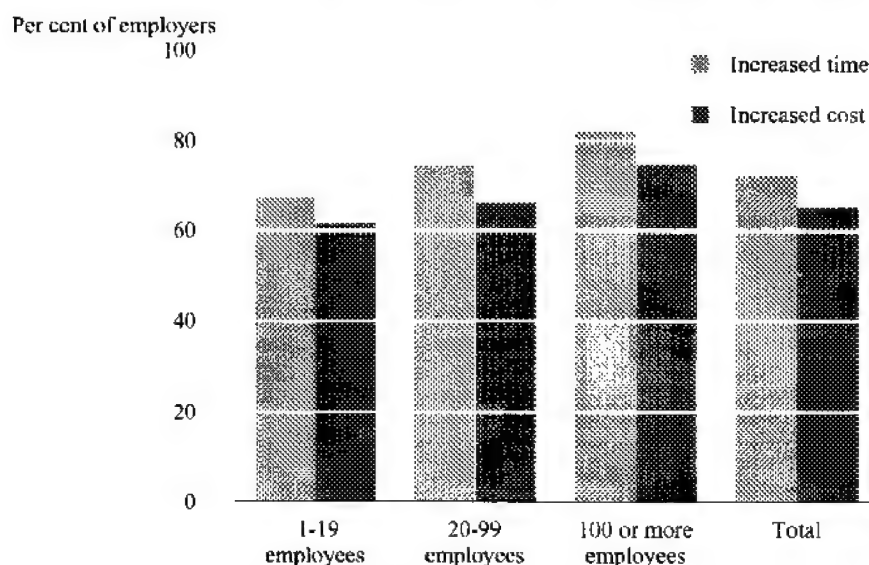
<i>Training practices</i>	<b>Per cent of employers</b>			<b>Total</b>
	<i>1-19 employees</i>	<i>20-99 employees</i>	<i>100 or more employees</i>	
Training guarantee was only reason for —				
Providing formal training for employees	11.4	3.4	*0.6	<b>6.4</b>
Keeping training records	35.3	22.6	9.0	<b>26.1</b>

(a) The Training Guarantee threshold is \$226,000 gross wages and salaries per year. This has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

## Impact of the Training Guarantee on training records

An increase in the time and cost of keeping training records, as a result of the Training Guarantee legislation, was reported by more than half the employers who were above the threshold. Graph 3 shows that the proportion of employers who reported an increase in the time and cost of keeping records increased with employer size. For example, 82 per cent of large employers reported an increase in the time required to keep records, compared with 67 per cent of small employers.

**GRAPH 3. EMPLOYERS ABOVE THE TRAINING GUARANTEE THRESHOLD<sup>(a)</sup> REPORTING TRAINING: INCREASE IN TIME AND COST OF RECORD KEEPING DUE TO TRAINING GUARANTEE REQUIREMENTS, FEBRUARY 1994**



(a) The Training Guarantee threshold is \$226,000 gross wages and salaries per year. This has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

## records kept only to meet Training Guarantee requirements

More than one-quarter of employers above the threshold reported the Training Guarantee legislation as the only reason for keeping training records. This was more often reported by small than large employers. (Table 17)

## PROVISION OF TRAINING

### Use of external training providers

Most employers (92%) who formally trained employees during the 12 month period ending February 1994, used external training providers to conduct part, or all, of their formal training program. (Table 18)

Forty-six per cent of employers reported using TAFE during the reference period. Private training providers (such as consultants and business colleges) were the second most frequently used external providers (39%).

In total, more than half the employers reported either TAFE (32%) or private training providers (23%) as the external provider used most often during the reference period.

**TABLE 18. EMPLOYERS REPORTING TRAINING: EXTERNAL TRAINING PROVIDERS USED DURING THE LAST 12 MONTHS – EMPLOYER SIZE, FEBRUARY 1994**

	Per cent of employers			
<i>Training provider</i>	<i>1–19 employees</i>	<i>20–99 employees</i>	<i>100 or more employees</i>	<i>Total</i>
EXTERNAL TRAINING PROVIDERS USED(a)				
<i>External provider used</i>	90.9	91.9	98.4	<b>91.7</b>
TAFE	45.3	44.4	61.8	<b>46.3</b>
Private training provider	30.4	54.6	74.0	<b>39.3</b>
Industry association	21.4	43.2	56.6	<b>29.1</b>
Professional association	17.9	29.9	62.4	<b>24.0</b>
Equipment manufacturer/supplier	20.3	41.6	52.1	<b>27.7</b>
University	*8.6	16.7	44.2	<b>13.2</b>
Other	*	*2.6	2.5	<b>*3.4</b>
<i>No external provider used</i>	*9.1	*8.1	*1.6	<b>8.3</b>
EXTERNAL TRAINING PROVIDER USED MOST OFTEN(b)				
TAFE	37.7	20.2	14.5	<b>31.9</b>
Private training provider	19.4	27.9	42.3	<b>23.1</b>
Industry association	9.5	18.2	16.7	<b>12.0</b>
Professional association	9.6	9.5	11.1	<b>9.7</b>
Equipment manufacturer/supplier	8.4	12.5	8.9	<b>9.4</b>
University	*2.9	*2.3	4.2	<b>*2.9</b>
Other	*	*1.3	*0.8	<b>*</b>
Total	90.9	91.9	98.4	<b>91.7</b>

(a) Employers may have used more than one type of external training providers.

(b) "Most often" refers to the number of employees attending training courses or programs.

## PROVISION OF TRAINING CONTINUED

### *by employer size*

More large and medium employers used private training providers rather than TAFE for training employees during the reference period. By contrast, more small employers used TAFE than private training providers. This pattern was also evident in the number of employers in each size group who reported these external providers were used most often. (Table 18)

Industry associations, professional associations, equipment manufacturers or suppliers, and universities were all used by a greater proportion of large than small employers. For example, 57 per cent of large employers and 21 per cent of small employers used industry associations to train employees during the reference period.

### *by industry*

In all industries except Community services, either TAFE or private training providers were the external providers used most frequently by employers to train the largest number of employees. By contrast, more employers in the Community services industry reported professional associations than any other external provider, as the external provider used to train the largest number of employees. (Unpublished data)

### **Employers providing formal in-house training**

Sixty-two per cent of employers who formally trained employees, provided in-house training during the 12 month period ending February 1994. Most organisations (87%) used knowledge from within the organisation to determine the content and subject of their in-house courses. (Tables 19 and 20)

**TABLE 19. EMPLOYERS REPORTING TRAINING: PROPORTION PROVIDING IN-HOUSE TRAINING DURING THE PAST 12 MONTHS – EMPLOYER SIZE BY SECTOR, FEBRUARY 1994**

<i>Sector</i>	<i>Per cent of employers</i>			<i>Total</i>
	<i>1–19 employees</i>	<i>20–99 employees</i>	<i>100 or more employees</i>	
Private	50.4	83.5	96.9	60.9
Public	86.3	62.0	100.0	81.3
Total	50.7	82.2	97.5	61.6

### *by employer size*

More large than small organisations reported providing formal in-house training for employees during the reference period (98% compared with 51%). (Table 19)

As employer size increased, so too did the frequency of the different methods used to decide content and subject of in-house courses. For example, over half the large employers who provided in-house training used formal training needs analysis or evaluated earlier courses to help decide the content of in-house courses, compared with less than 30 per cent of their small or medium size counterparts. (Table 20)



## PROVISION OF TRAINING *CONTINUED*

**TABLE 20. EMPLOYERS REPORTING IN-HOUSE TRAINING: HOW CONTENT AND SUBJECT OF IN-HOUSE COURSES WAS DECIDED DURING THE LAST 12 MONTHS – EMPLOYER SIZE, FEBRUARY 1994**

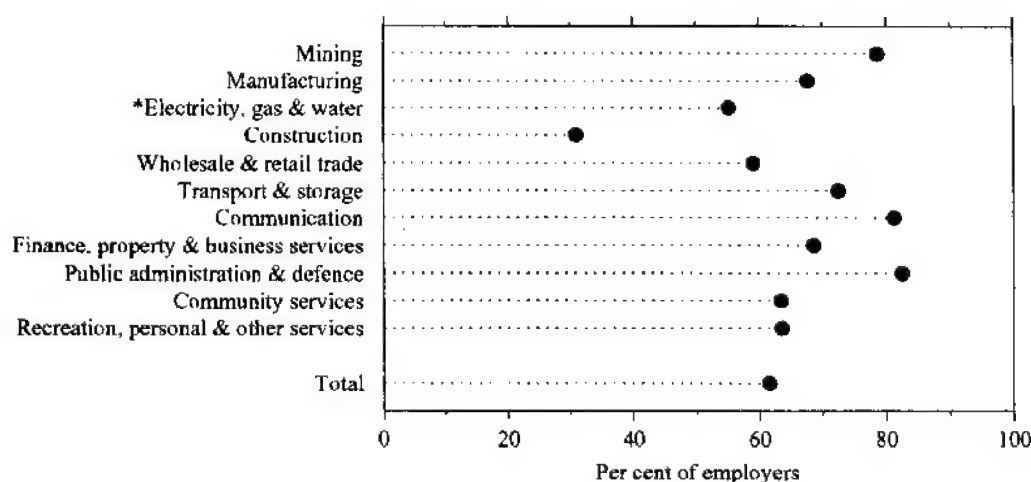
<i>How content of courses decided</i>	<i>Per cent of employers</i>			<i>Total</i>
	<i>1–19 employees</i>	<i>20–99 employees</i>	<i>100 or more employees</i>	
Knowledge within organisation	85.9	87.9	92.2	87.3
Formal training needs analysis	28.7	29.9	53.5	32.0
Practices in similar organisations	28.9	29.4	44.8	30.9
Evaluated earlier courses	23.4	29.3	51.6	28.6
Practices in other industries	*7.2	8.6	19.8	9.1
Practices used overseas	*6.3	7.1	14.4	7.5
Other	3.7	6.6	13.4	5.8

*by industry*

More than 80 per cent of employers in the Public administration and defence, and Communication industries reported providing in-house training for employees during the reference period. By comparison, 31 per cent of employers in the Construction industry, reported providing in-house training for employees. (Graph 4)

Knowledge from within the organisation was the most likely means of deciding on the content and subject of in-house training courses in all industries except Electricity, gas and water. Formal training needs analysis was the method used by most employers in the Electricity, gas and water industry. (Unpublished data)

**GRAPH 4. EMPLOYERS REPORTING TRAINING: PROPORTION PROVIDING IN-HOUSE TRAINING DURING THE LAST 12 MONTHS - INDUSTRY, FEBRUARY 1994**



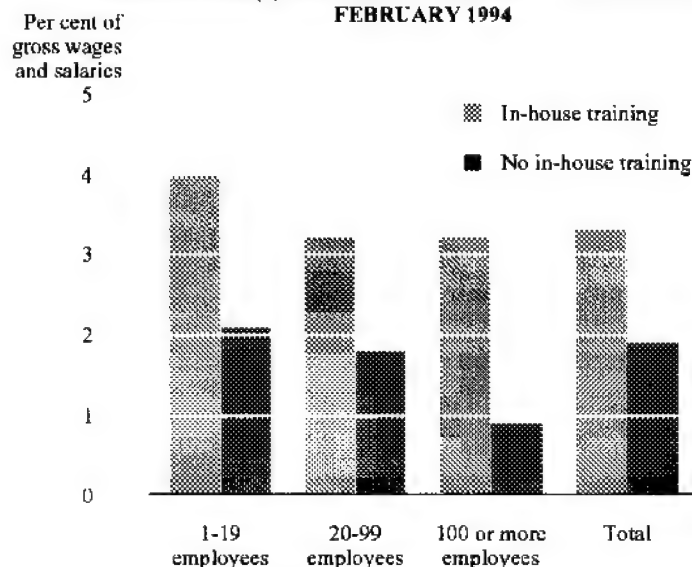
## PROVISION OF TRAINING *CONTINUED*

*by amount spent on training*

Using data from the Training Expenditure Survey, 1993, employers who provided in-house training spent more money on training than employers who trained employees but did not provide in-house training (the equivalent of 3.3% of gross wages and salaries compared with 1.9%). (Graph 5)

Small employers who provided in-house training had the highest average training expenditure. Least was spent by large employers who did not provide in-house training (4.0% and 0.9% of gross wages and salaries respectively).

**GRAPH 5. EMPLOYERS REPORTING TRAINING: AVERAGE TRAINING EXPENDITURE<sup>(a)</sup> BY TYPE OF TRAINING - EMPLOYER SIZE, FEBRUARY 1994**



(a) Average training expenditure has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

**Employers with a written training plan**

Thirty per cent of employers who provided formal training for employees during the 12 month period ending February 1994, reported having a written training plan. (Table 21)

**TABLE 21. EMPLOYERS REPORTING TRAINING: PROPORTION WITH A WRITTEN TRAINING PLAN DURING THE LAST 12 MONTHS - EMPLOYER SIZE BY SECTOR, FEBRUARY 1994**

Sector	Per cent of employers			
	1-19 employees	20-99 employees	100 or more employees	Total
Private	20.8	45.5	64.2	29.2
Public	*44.1	*29.9	76.8	51.1
<b>Total</b>	<b>21.0</b>	<b>44.5</b>	<b>66.5</b>	<b>29.9</b>

## PROVISION OF TRAINING *CONTINUED*

Most training plans (60%) specified an amount of training to be provided for employees. This was specified as either time (35%) or money (25%) to be spent; and/or number of courses to be attended by employees (31%). (Table 22)

Sixty-three per cent of the training plans covered at least half the employees of the organisation, with 22 per cent of plans covering all employees.

Most employers (69%) had their training plan(s) for less than three years. This may indicate the influence of the Training Guarantee legislation in encouraging employers to formalise their training programs.

Senior managers were usually involved in some aspect of the plans' development. Half the plans were designed by senior managers within the organisation and 71 per cent were endorsed by senior management.

**TABLE 22. EMPLOYERS WITH A WRITTEN TRAINING PLAN: PROFILE OF THE TRAINING PLANS, FEBRUARY 1994**

	Per cent of employers			
Characteristics	1-19 employees	20-99 employees	100 or more employees	Total
WHAT THE TRAINING PLAN SPECIFIES				
Specifies an amount of training(a)	58.0	60.5	66.6	60.3
Amount of money to be spent	19.8	29.9	27.6	24.6
Amount of time to be spent	33.4	33.0	42.1	34.7
Number of courses to be attended by employees	31.0	24.9	44.5	31.1
PERCENTAGE OF EMPLOYEES COVERED BY A TRAINING PLAN				
Less than 50% of employees	33.2	44.2	35.6	37.5
50% to less than 100% of employees	41.8	35.9	47.8	40.7
100% of employees	25.0	19.9	16.7	21.8
HOW LONG EMPLOYER HAS HAD A TRAINING PLAN				
Less than 1 year	*17.8	9.4	10.9	13.7
1 year to less than 3 years	57.7	57.7	44.1	55.5
3 years or more	24.5	32.9	45.0	30.8
INVOLVEMENT OF SENIOR MANAGEMENT(b)				
Designed training plan	51.1	52.3	44.3	50.4
Reviewed training plan	44.2	47.6	56.7	47.4
Endorsed training plan	66.0	71.3	83.9	70.8
Not involved	*	6.6	5.2	*7.8

(a) Training plans can specify more than one amount of training, eg both time and money to be spent.

(b) Senior management can be involved in several ways.

## PROVISION OF TRAINING *CONTINUED*

### *by employer size*

More large than small employers reported having a written training plan(s) (67% compared with 21%). (Table 21)

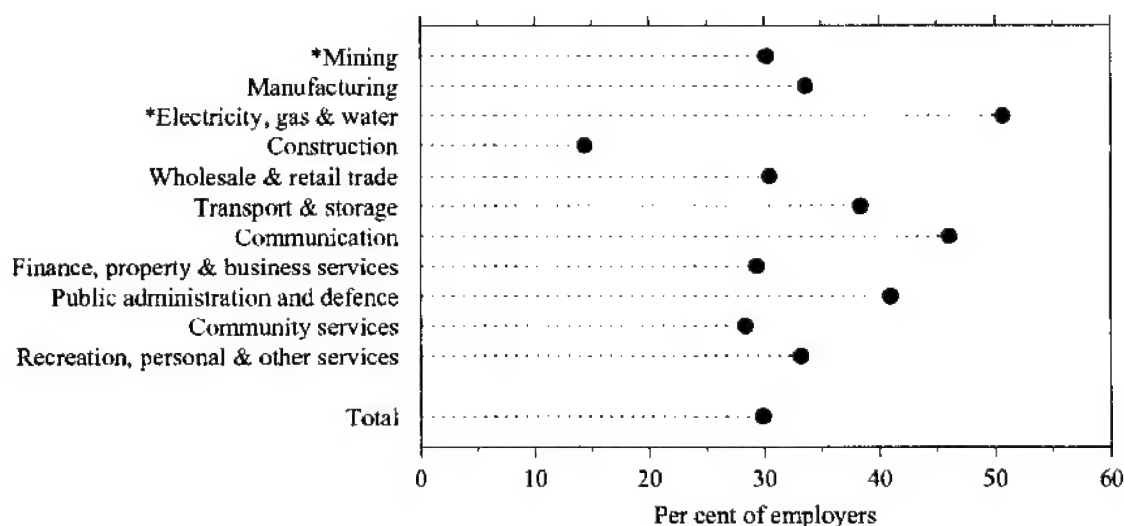
Large employers were also more likely to have developed the training plan earlier than small employers. Forty-five per cent of large employers with training plans had them for three years or more compared with 25 per cent of small employers. (Table 22)

### *by industry*

More than forty per cent of employers in the Electricity, gas and water, Communication, and Public administration and defence industries reported having a written training plan during the reference period. The Construction industry had the lowest proportion of employers with a written training plan (14%). (Graph 6)

The Mining industry had a significantly higher proportion than other industries of employers with training plans in existence for three years or more (72%). Public administration and defence, and Recreation, personal and other services had the lowest proportion of employers with a written training plan(s) for three years or more (21% and 22% respectively). (Unpublished data)

**GRAPH 6. EMPLOYERS REPORTING TRAINING: PROPORTION WITH A WRITTEN TRAINING PLAN DURING THE LAST 12 MONTHS - INDUSTRY, FEBRUARY 1994**



### *by amount spent on training*

As shown in Table 23, data derived from the Training Expenditure Survey, 1993, indicates that employers who trained employees and had a written training plan, spent more money training employees, on average, than those who trained employees but did not have a written training plan.

# PROVISION OF TRAINING *CONTINUED*

**TABLE 23. EMPLOYERS REPORTING TRAINING: AVERAGE TRAINING EXPENDITURE<sup>(a)</sup> BY PRESENCE OF A WRITTEN TRAINING PLAN(S) DURING THE LAST 12 MONTHS, FEBRUARY 1994**

	<i>Training plan</i>		<i>Total</i>
	<i>Yes</i>	<i>No</i>	
Average training expenditure (% of gross wages and salaries)	3.4	2.6	<b>3.2</b>
Average training expenditure per employee (\$)	248	174	<b>226</b>
Average training hours per employee (hours)	6.7	6.2	<b>6.5</b>

(a) Average training expenditure and hours have been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

## Use of qualified trainers

One-third of organisations that formally trained employees, reported employing a qualified trainer(s) in February 1994. However, only 4 per cent of organisations reported employing a full-time trainer(s). (Table 24)

At the last pay period ending on or before 18 February 1994, it is estimated that employers in Australia employed 15,800 full-time qualified trainers to provide training for their employees. There was approximately one full-time trainer for every three hundred and fifty employees.

## by employer size

Qualified trainers, whether full-time or not, were employed four times more often by large than small organisations (84% compared with 21%).

Thirty-eight per cent of large employers also reported employing a full-time trainer(s).

**TABLE 24. EMPLOYMENT OF QUALIFIED TRAINERS – EMPLOYER SIZE, FEBRUARY 1994**

	<i>1–19 employees</i>	<i>20–99 employees</i>	<i>100 or more employees</i>	<i>Total</i>
<i>-Qualified trainers –</i>				
Employers with a qualified trainer(s)(as a % of employers reporting training)	21.4	52.7	83.5	<b>33.3</b>
<i>Full-time qualified trainers –</i>				
Employers with a full-time trainer(s)(as a % of employers reporting training)	*0.3	4.6	37.7	<b>4.1</b>
Per cent of employees who are full-time trainers (% of all employees)	*0.02	0.14	0.42	<b>0.29</b>
Number of full-time qualified trainers	*200	1,300	14,300	<b>15,800</b>

## PROVISION OF TRAINING *CONTINUED*

*by industry*

Overall, 72 per cent of employers in the Electricity, gas and water industry reported employing a qualified trainer(s). By comparison, less than 20 per cent of employers in the Construction industry employed a qualified trainer(s). (Table 25)

Employers in the Communication industry (42%) were most likely to have employed a full-time trainer(s). All remaining industries reported the incidence of full-time trainers at less than 20 per cent.

**TABLE 25. EMPLOYERS REPORTING TRAINING: PROPORTION WITH A QUALIFIED TRAINER(S) – INDUSTRY, FEBRUARY 1994**

<i>Industry</i>	<i>Per cent of employers</i>	
	<i>Qualified trainer(s)</i>	<i>Full-time qualified trainer(s)</i>
Mining	49.4	*12.4
Manufacturing	40.6	5.2
Electricity, gas and water	71.7	*7.5
Construction	18.5	*1.5
Wholesale and retail trade	26.0	2.6
Transport and storage	37.3	5.3
Communication	52.2	41.8
Finance, property and business services	34.8	4.9
Public administration and defence	37.1	17.9
Community services	39.0	5.0
Recreation, personal and other services	39.4	2.5
<b>Total</b>	<b>33.3</b>	<b>4.1</b>

*impact of trainers on training practices*

All employers who employed full-time trainers reported providing formal in-house training during the 12 month period ending February 1994. They also reported having a written training plan more often than other employers who provided training.

As shown in Table 26, large organisations with a full-time trainer(s) were more than twice as likely to have had a written training plan than large organisations with no qualified trainers (85% compared with 35%).

The presence of full-time trainers also impacted on whether large organisations used formal training needs analysis to determine the training needs of employees. For example, 73 per cent of large employers with a qualified full-time trainer(s) compared with 38 per cent of large employers who did not employ any qualified trainers, used formal training needs analysis in the reference period.

## PROVISION OF TRAINING *CONTINUED*

**TABLE 26. LARGE EMPLOYERS (a) REPORTING TRAINING: IMPACT OF QUALIFIED TRAINERS DURING THE LAST 12 MONTHS, FEBRUARY 1994**

Per cent of employers				
Training practices	No qualified trainer	Qualified trainers		Total
		No full-time trainer	Full-time trainer(s)	
Employers reporting in-house training	96.9	95.5	100.0	97.5
Employers with a written training plan(s)	35.0	62.4	85.2	66.5
Employers used formal training needs analysis	38.3	41.4	73.1	52.9

(a) Large employers are employers with 100 or more employees.

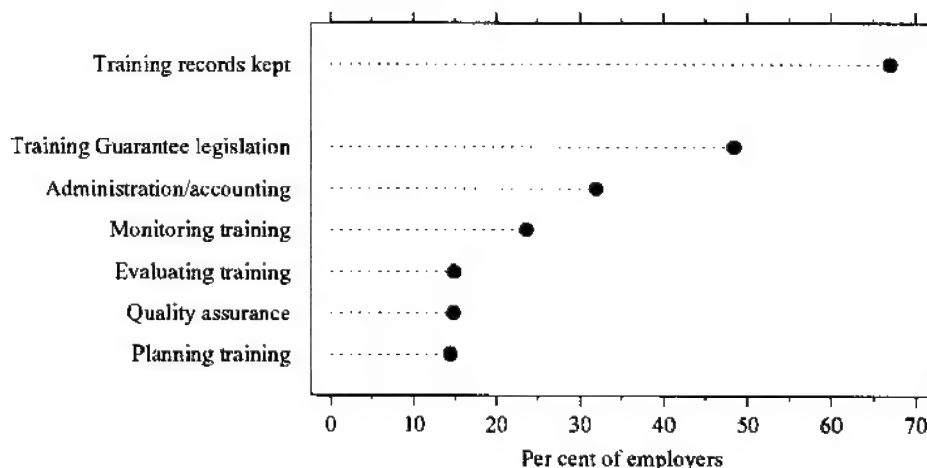
### Use of training records

Two-thirds of employers reported keeping training records during the 12 month period ending February 1994. The most common reason for keeping training records was to meet the requirements of the Training Guarantee legislation (reported by 48% of employers). (Graph 7)

Almost all large employers (99%) reported maintaining records compared with 55 per cent of small employers. (Unpublished data)

Forty-three per cent of large employers used their training records to plan training provided to employees. By comparison, less than 10 per cent of small employers used their records for this purpose.

**GRAPH 7. EMPLOYERS REPORTING TRAINING: PURPOSE OF TRAINING RECORDS DURING THE LAST 12 MONTHS, FEBRUARY 1994**



## EMPLOYEES RECEIVING TRAINING

### Occupations receiving training

A higher proportion of employers provided formal training for Tradespersons and apprentices (45%) than any other occupational group, during the 12 month period ending February 1994. Apprentices attending TAFE are likely to have contributed to this high figure.

By comparison, 21 per cent of organisations that employed Labourers and plant operators reported providing formal training for them. This was the lowest proportion of all the broad occupational groups listed in Table 27.

**TABLE 27. PROPORTION OF EMPLOYERS THAT PROVIDED FORMAL TRAINING DURING THE LAST 12 MONTHS FOR OCCUPATIONAL GROUPS THEY EMPLOYED – EMPLOYER SIZE, FEBRUARY 1994**

Occupational group	Per cent of employers			Total
	1–19 employees	20–99 employees	100 or more employees	
Labourers & plant operators	10.0	55.6	70.0	20.8
Clerks, sales & service workers	20.0	74.6	86.5	28.8
Tradespersons & apprentices	37.9	67.4	78.9	44.5
Para-professionals & technicians	*26.9	62.6	81.3	*38.2
Managers & professionals	19.6	63.4	85.8	28.5

### by employer size

A greater proportion of large than small employers reported providing formal training for their employees from each occupational group. For example, 70 per cent of large compared with 10 per cent of small organisations that employed Labourers and plant operators, provided some formal training for these employees during the reference period.

Overall, Clerks, sales and service workers, and Managers and professionals employed by large organisations were the employees most likely to have received formal training during the reference period. Labourers and plant operators in small organisations were the least likely to have received formal training.

### by amount of training

The data on the 'amount of training' provided by employers is derived from the Training Expenditure Survey, 1993. It does not identify the occupational group of the individual employees who received training and, therefore, it is not possible to link the expenditure on training to a particular occupational group.

However, the data collected supports the findings that Tradespersons and apprentices was the occupational group that received the most training. (Table 28)



## EMPLOYEES RECEIVING TRAINING *CONTINUED*

Employers who reported that 50 per cent or more of their employees were Tradespersons and apprentices provided an average of 9.2 hours of training per employee during the period July to September 1993. In contrast, organisations with 50 per cent or more employees who were Clerks, sales and service workers provided an average of 4.4 hours training per employee during the same period.

**TABLE 28. AVERAGE TRAINING EXPENDITURE(a) – OCCUPATIONAL GROUP, FEBRUARY 1994**

<i>Occupational group</i>	<i>Training hours per employee</i>	<i>Training dollars per employee</i>	<i>Percentage of gross wages and salaries</i>
<b>Fifty per cent or more employees –</b>			
Labourers & plant operators	4.9	160	2.4
Clerks, sales & service workers	4.4	160	2.8
Tradespersons & apprentices	9.2	163	2.5
Para-professionals & technicians	7.5	266	3.8
Managers & professionals	4.5	214	2.7
<b>All employers</b>	<b>5.5</b>	<b>192</b>	<b>2.9</b>

(a) Average training expenditure has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

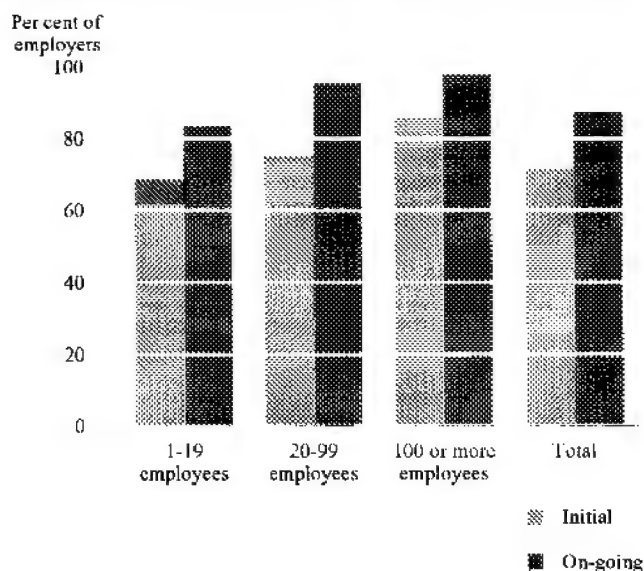
### *by type of training*

Training provided for employees can be divided into two categories, initial and on-going training. Initial training is the training required to perform a job in which an employee has had little or no previous experience. On-going training, on the other hand, is designed to maintain or improve skills of an employee who is already proficient in a given job.

More employers reported providing on-going than initial training for employees during the 12 month period ending February 1994 (81% and 72% respectively). The incidence of both on-going and initial training increased with employer size. (Graph 8)

## EMPLOYEES RECEIVING TRAINING *CONTINUED*

**GRAPH 8. EMPLOYERS REPORTING TRAINING: TYPE OF TRAINING PROVIDED DURING THE LAST 12 MONTHS - EMPLOYER SIZE, FEBRUARY 1994**

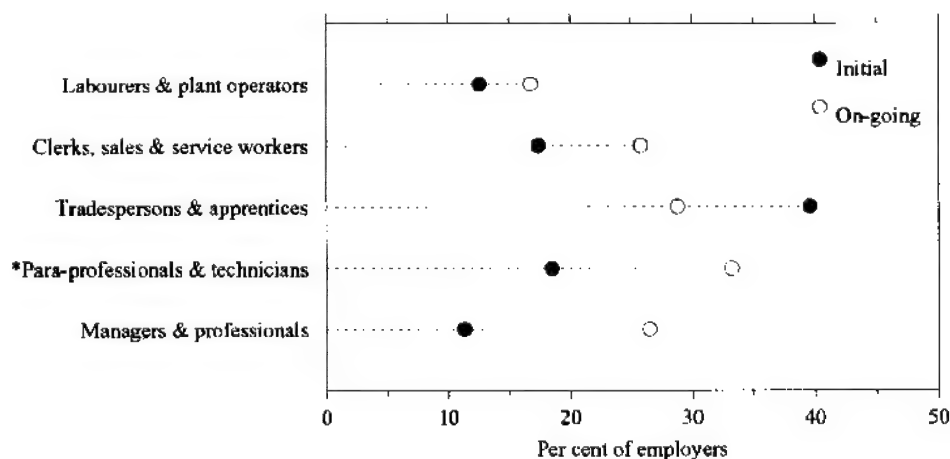


For each occupational group except Tradespersons and apprentices, a higher proportion of employers (with employees in the occupational group) reported providing on-going than initial training. (Graph 9)

By occupational group, the proportion of employers providing some on-going training for their employees ranged from 33 per cent of employers with Para-professionals and technicians to 17 per cent of employers with Labourers and plant operators.

Forty per cent of employers provided initial training for their Tradespersons and apprentices compared with 11 per cent of employers with Managers and professionals.

**GRAPH 9. PROPORTION OF EMPLOYERS THAT PROVIDED FORMAL TRAINING DURING THE LAST 12 MONTHS FOR OCCUPATIONAL GROUPS THEY EMPLOYED - TYPE OF TRAINING, FEBRUARY 1994**



# EMPLOYEES RECEIVING TRAINING *CONTINUED*

## Apprentices and trainees

The presence of either apprentices or trainees had more impact on the training practices of small organisations, during the 12 month period ending February 1994, than medium or large organisations.

Small employers with apprentices were more than four times as likely to have provided formal training for employees, than those without apprentices (90% compared with 18%). The same was true for employers with and without trainees. Ninety-two per cent of small employers with trainees compared with 21 per cent of small employers without trainees, provided formal training for employees during the reference period. (Table 29)

However, small organisations with trainees were more likely than small organisations with apprentices, to provide in-house training (70% compared with 23%), use a written training plan(s) (20% compared with 10%) and have used a formal training needs analysis to help determine training needs of employees during the reference period (18% compared with 14%).

**TABLE 29. SMALL EMPLOYERS(a): TRAINING PRACTICES DURING THE LAST 12 MONTHS – PRESENCE OF APPRENTICES OR TRAINEES(b), FEBRUARY 1994**

Training practices	Per cent of employers				Total
	Apprentices employed		Trainees employed		
	Yes	No	Yes	No	
Employers reporting training	89.5	18.4	92.0	21.4	24.6
Employers reporting in-house training	23.2	11.4	70.1	9.8	12.5
Employers with a written training plan(s)	10.2	4.6	19.7	4.4	5.2
Employers used formal training needs analysis	*13.8	2.8	18.3	3.0	3.8

(a) Small employers are employers with 1-19 employees.

(b) Presence of apprentices or trainees has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

## EMPLOYEES RECEIVING TRAINING *CONTINUED*

### Training provided by length of service of employees

The data collected on the 'amount of training' provided by employers does not identify the individual employees who received training. However, it is possible to compare the average training provided by employers with different employee characteristics; in this case, length of service of the majority of employees. (Table 30)

In general, as the length of service of the majority of employees increased, more employers provided training, and more money was spent on training employees. For example, using data from the Training Expenditure Survey, 1993, organisations with 50 per cent or more employees employed for at least five years provided more training for employees, than organisations with 50 per cent or more employees employed for less than one year (6.2 hours compared with 3.7 hours per employee). This same pattern was also evident for training expenditure per employee (\$227 compared with \$94 per employee).

**TABLE 30. TRAINING PRACTICES DURING THE LAST 12 MONTHS BY LENGTH OF SERVICE OF EMPLOYEES, FEBRUARY 1994**

Training practices	Fifty per cent or more employees employed			All employers
	Less than 1 year	1 year to less than 5 years	5 years or more	
Employers reporting training (%)	22.5	29.5	30.3	31.8
Employers reporting in-house training (%)	13.5	18.5	16.2	19.6
Employers with a written training plan(s) (%)	*4.8	8.2	8.7	9.5
Employers with a full-time trainer(s) (%)	*0.3	1.0	1.5	1.3
Employers used a formal training needs analysis (%)	*4.5	6.4	6.2	6.7
Training hours per employee(a) (hours)	3.7	5.0	6.2	5.5
Training expenditure per employee(a) (\$)	94	166	227	192
Training expenditure(a) (% of gross wages and salaries)	2.1	2.7	3.0	2.9

(a) Average training expenditure and hours have been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

### Casual employees

The number of casual and permanent employees had an impact on the training practices of organisations during the 12 month period ending February 1994.

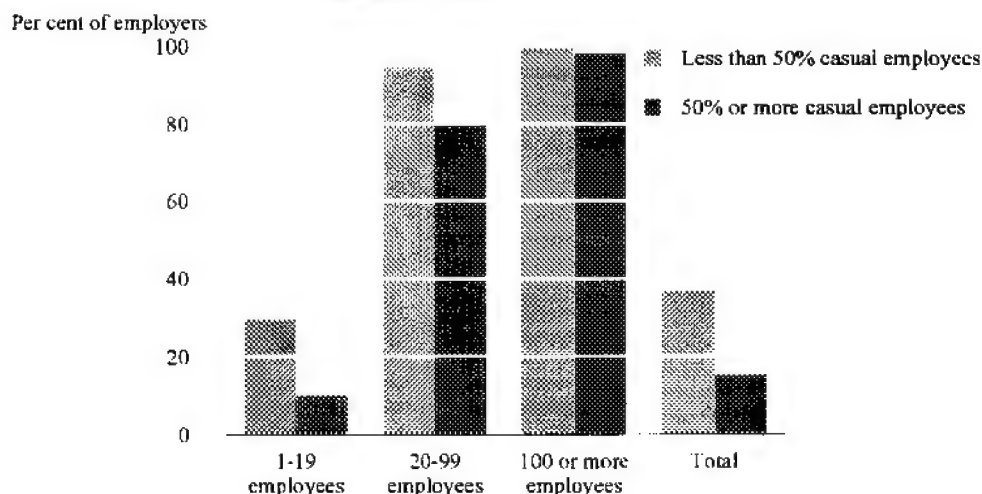
Organisations with more than 50 per cent casual employees were less likely to have provided formal training for employees during the reference period than organisations with less than 50 per cent casual employees (15% compared with 37%). (Graph 10)

However, the presence of a high proportion of casual employees had more impact on small than large organisations. Small organisations with 50 per cent or more casual employees were three times less likely than small organisations with less than

## EMPLOYEES RECEIVING TRAINING *CONTINUED*

50 per cent casual employees to have provided formal training for employees during the reference period. By comparison, more than 98 per cent of large organisations, irrespective of whether they had a high proportion of casual staff, provided formal training for their employees.

**GRAPH 10. PROPORTION OF EMPLOYERS THAT PROVIDED FORMAL TRAINING DURING THE LAST 12 MONTHS - PRESENCE OF CASUAL EMPLOYEES, FEBRUARY 1994**



Organisations with a low proportion of casual employees reported each of the training practices listed in Table 31 more often than organisations with a high proportion of casual employees. For example, 23 per cent of organisations with less than 50 per cent casual employees provided formal in-house training for employees during the reference period, compared with 9 per cent of organisations with 50 per cent or more casual employees.

**TABLE 31. ALL EMPLOYERS: TRAINING PRACTICES DURING THE LAST 12 MONTHS -- PROPORTION OF CASUAL EMPLOYEES(a), FEBRUARY 1994**

Training practices	Per cent of employers		
	Proportion of casual employees		Total
	Less than 50%	50% or more	
Employers reporting training	36.8	15.2	31.8
Employers reporting in-house training	22.8	8.8	19.6
Employers with a written training plan(s)	10.5	6.0	9.5
Employers with a full-time trainer(s)	1.6	0.3	1.3
Employers used formal training needs analysis	7.2	*4.9	6.7

(a) Proportion of casual employees has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

## EMPLOYER PROFILE

### Change in business operations

Employers who had significantly changed their business operations during the 12 month period ending February 1994, were more likely to have provided formal training for employees than employers who did not significantly change their operations.

For each 'change in operations' listed in Table 32, at least half the organisations involved reported providing formal training for employees during the reference period. By comparison, when employers did not significantly change their operations, fewer reported providing formal training for employees during the same period (26%).

Employers were more likely to have increased training expenditure during the reference period if they had significantly changed their business operations than if they did not significantly change their operations. For example, five times as many employers who introduced new work practices reported increased training expenditure, than employers whose operations did not significantly change (54% compared with 10%).

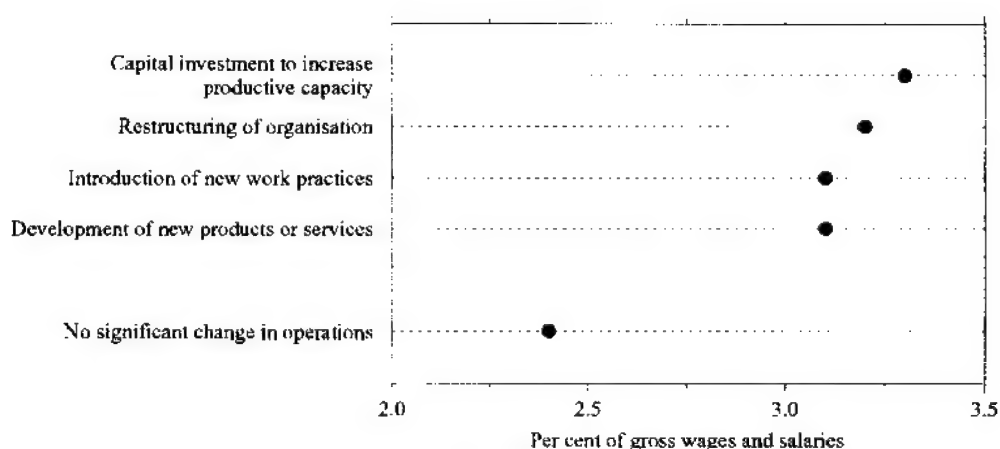
**TABLE 32. ALL EMPLOYERS: CHANGE IN TRAINING EXPENDITURE BY SIGNIFICANT CHANGE IN OPERATIONS OF THE ORGANISATION DURING THE LAST 12 MONTHS, FEBRUARY 1994**

Change in operations	Per cent of employers					
	Formal training provided				No formal training provided	Total
	Training expenditure increased	Training expenditure decreased	Training expenditure unchanged	Total		
Significant change in operations –						
Introduction of new work practices	53.9	*3.1	22.8	79.7	*20.3	100.0
Development of new products or services	43.7	*1.6	*19.8	65.1	34.9	100.0
Restructuring of organisation	39.1	7.7	18.7	65.5	34.5	100.0
Capital investment to increase productive capacity	*27.7	*	*20.6	52.0	*48.0	100.0
No significant change in operations	9.5	0.9	15.5	25.9	74.1	100.0
<b>Total</b>	<b>14.0</b>	<b>1.6</b>	<b>16.3</b>	<b>31.8</b>	<b>68.2</b>	<b>100.0</b>

The average training expenditure of organisations can be derived from the Training Expenditure Survey, 1993, for the period 1 July to 30 September 1993. In organisations with a significant change in operations, training expenditure ranged between 3.1 per cent of gross wages and salaries for those that developed new products, and 3.3 per cent of gross wages and salaries for organisations with significant capital investment. In organisations where there was no significant change in operations employers spent, on average, 2.4 per cent of gross wages and salaries on formal training for their employees. (Graph 11)

## EMPLOYER PROFILE *CONTINUED*

**GRAPH 11. AVERAGE TRAINING EXPENDITURE<sup>(a)</sup> BY SIGNIFICANT CHANGE IN OPERATIONS OF THE ORGANISATION DURING THE LAST 12 MONTHS, FEBRUARY 1994**



(a) Average training expenditure has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

### Years of operation of employers

The longer an organisation had been in operation, the more likely it was to have provided formal training for employees during the 12 month period ending February 1994. For example, 37 per cent of the organisations that had operated for 10 years or more reported providing formal training for employees, compared with 22 per cent that had operated for less than 5 years. (Table 33)

Organisations that provided formal training for employees reported increased training expenditure during the reference period more often if they had operated for 10 years or more, rather than for a shorter period. For example, 19 per cent of organisations that had operated for 10 years or more reported increased training expenditure, compared with 10 per cent that had operated for 5 years to less than 10 years.

**TABLE 33. ALL EMPLOYERS: CHANGE IN TRAINING EXPENDITURE DURING THE LAST 12 MONTHS BY YEARS OF OPERATION OF THE ORGANISATION, FEBRUARY 1994**

Years of operation	Per cent of employers					
	Formal training provided			Total	No formal training provided	Total
	Training expenditure increased	Training expenditure decreased	Training expenditure unchanged			
Less than 5 years	*4.0	*	*17.3	*21.9	78.1	100.0
5 years to less than 10 years	10.3	*0.9	15.7	26.9	73.1	100.0
10 years or more	18.8	2.2	16.3	37.3	62.7	100.0
Total	14.0	1.6	16.3	31.8	68.2	100.0

## EMPLOYER PROFILE *CONTINUED*

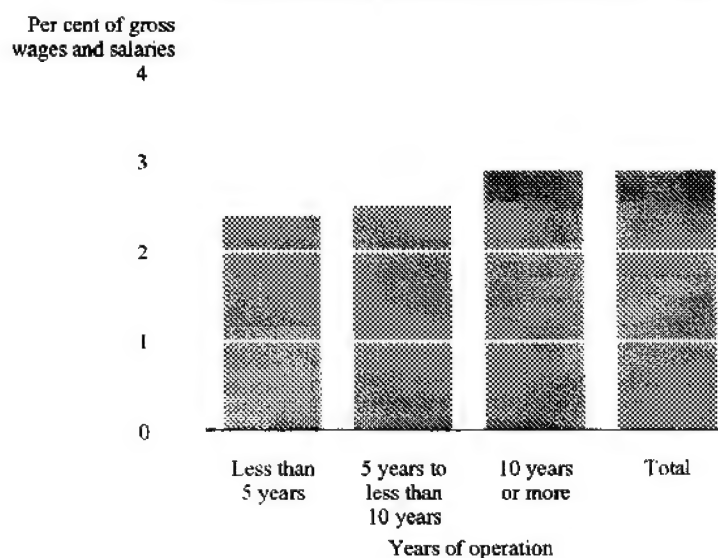
As indicated in Table 34, organisations that provided formal training for employees and had operated for 10 years or more reported each of the listed training practices more often than organisations that had operated for a shorter period of time. For example, organisations that had operated for 10 years or more, reported employing a full-time trainer(s) four times more frequently than organisations that had operated for 5 years to less than 10 years.

**TABLE 34. EMPLOYERS REPORTING TRAINING: TRAINING PRACTICES BY YEARS OF OPERATION OF THE ORGANISATION, FEBRUARY 1994**

Per cent of employers				
Training practices	Years of operation			Total
	Less than 5 years	5 years to less than 10 years	10 years or more	
Employers reporting in-house training	42.2	54.2	67.8	61.6
Employers with a written training plan(s)	*20.7	25.1	33.3	29.9
Employers with a full-time trainer(s)	*1.2	1.4	5.6	4.1
Employers used formal training needs analysis	*9.0	21.5	23.1	21.1

When comparing training expenditure data provided for the Training Expenditure Survey, 1993, organisations operating for 10 years or more generally spent more money training their employees than organisations operating for less than 5 years (on average, 2.9% compared with 2.4% of gross wages and salaries).

**GRAPH 12. ALL EMPLOYERS: AVERAGE TRAINING EXPENDITURE<sup>(a)</sup> BY YEARS OF OPERATION, FEBRUARY 1994**



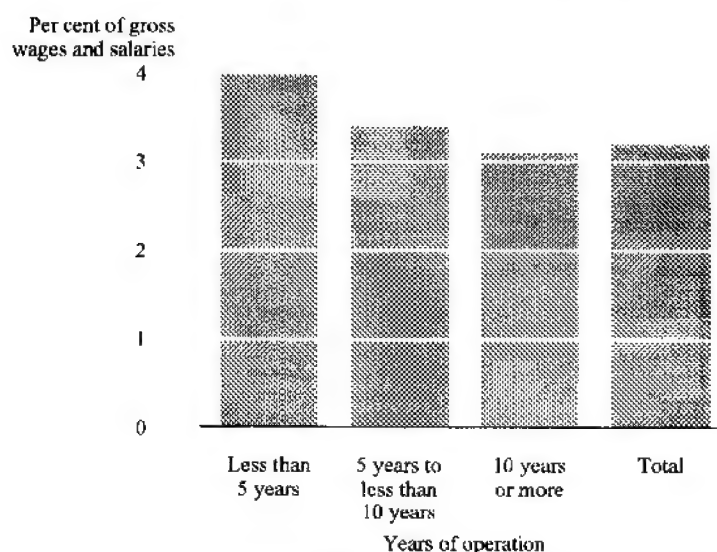
(a) Average training expenditure has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).



## EMPLOYER PROFILE *CONTINUED*

However, a different pattern becomes apparent when only those employers who reported formally training employees are considered. In this case, the average training expenditure was lower in organisations that had operated for 10 years or more, than in organisations that had operated for a shorter period (on average, 4.0% compared with 3.1% of gross wages and salaries).

**GRAPH 13. EMPLOYERS REPORTING TRAINING: AVERAGE TRAINING EXPENDITURE<sup>(a)</sup> BY YEARS OF OPERATION, FEBRUARY 1994**



(a) Average training expenditure has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

### **Change in level of business activity**

Employers who increased their level of business activity during the reference period, reported providing formal training more often (48%) than employers who decreased (22%), or had no change (26%) in their level of business activity. (Table 35)

Twenty-six per cent of employers who increased their level of business activity also increased their training expenditure during the reference period. By comparison, approximately eight per cent of employers whose level of business activity either decreased or did not change, reported increased training expenditure during the same period.

# EMPLOYER PROFILE CONTINUED

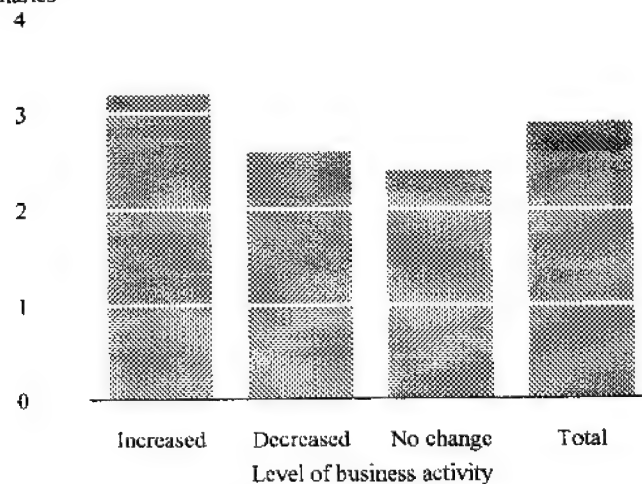
**TABLE 35. ALL EMPLOYERS: CHANGE IN TRAINING EXPENDITURE BY CHANGE IN LEVEL OF BUSINESS ACTIVITY DURING THE LAST 12 MONTHS, FEBRUARY 1994**

Per cent of employers						
Level of business activity	Formal training provided				No formal training provided	Total
	Training expenditure increased	Training expenditure decreased	Training expenditure unchanged	Total		
Increased activity	25.5	*2.0	20.1	47.6	52.4	100.0
Decreased activity	8.1	*2.4	11.3	21.8	78.2	100.0
No change in activity	8.7	*0.8	16.3	25.7	74.3	100.0
<b>Total</b>	<b>14.0</b>	<b>1.6</b>	<b>16.3</b>	<b>31.8</b>	<b>68.2</b>	<b>100.0</b>

Using training expenditure data collected in the Training Expenditure Survey, 1993, employers who increased their level of business activity during the 12 month period ending February 1994, provided more training for employees than those whose business activity had decreased (3.2% compared with 2.6% of gross wages and salaries). Employers whose level of business activity was unchanged during the 12 month reference period spent the least on training employees (2.4% of gross wages and salaries). (Graph 14)

**GRAPH 14. ALL EMPLOYERS: AVERAGE TRAINING EXPENDITURE<sup>(a)</sup> BY CHANGE IN LEVEL OF BUSINESS ACTIVITY DURING THE LAST 12 MONTHS, FEBRUARY 1994**

Per cent of gross wages and salaries



(a) Average training expenditure has been derived from the Training Expenditure Survey, July to September 1993 (see Explanatory Notes).

## Change in employment size of employer

This section compares organisations that significantly increased their employment size in the 12 month period ending February 1994 with organisations that significantly decreased employment size. (The definition of a significant change in employment size has been arbitrarily set at a minimum difference of 10 per cent and at least 20 employees between the start and finish of the 12 month period. The analysis, therefore, concentrates on medium and large size employers.)

Organisations that increased in employment size were more likely than those that decreased in size to have provided some formal training for employees during the reference period. (Table 36)

A greater proportion of organisations whose size increased, also reported increased training expenditure than organisations whose size decreased (79% and 61% respectively).

On the other hand, organisations that decreased in size reported decreased training expenditure more often than organisations that increased in employment size (17% compared with 2%).

**TABLE 36. SIGNIFICANT CHANGE IN THE SIZE OF THE ORGANISATION(a) BY CHANGE IN TRAINING EXPENDITURE DURING THE LAST 12 MONTHS, FEBRUARY 1994**

Change in employment size	Per cent of employers					
	Formal training provided			Total	No formal training provided	Total
	Training expenditure increased	Training expenditure decreased	Training expenditure unchanged			
Increased size	78.9	*2.2	18.6	99.7	0.3	100.0
Decreased size	61.4	17.4	16.8	95.6	*	100.0

(a) The definition of a significant change in size of the organisation is a difference in the number of employees, between the start and finish of the 12 month period, of at least 10 per cent and 20 employees.

## STATES AND TERRITORIES

### Employers reporting formal training

Thirty-two per cent of all employers in Australia provided formal training for their employees during the 12 month period ending February 1994. A higher proportion of employers in South Australia than any other state or territory, reported providing formal training. Forty-seven per cent of South Australian employers, compared with 19 per cent of employers in the Australian Capital Territory, provided formal training for their employees during the reference period. (Graph 15)

**GRAPH 15. ALL EMPLOYERS: PROPORTION REPORTING TRAINING DURING THE LAST 12 MONTHS - STATE(a), FEBRUARY 1994**



(a) Figures for Tasmania and the Northern Territory are included in the total for Australia, but are not available separately.

### their training practices

Sixty-two per cent of all employers who formally trained employees, provided in-house training during the reference period. A higher proportion of employers in the Northern Territory and the Australian Capital Territory provided in-house training for their employees, than their state counterparts. (Table 37)

Excluding the two territories, Queensland was the state that had the highest proportion of employers who provided in-house training (72%), had a written training plan (42%), had a qualified trainer(s) (40%) and employed a full-time trainer(s) (6%).

# STATES AND TERRITORIES *CONTINUED*

**TABLE 37. EMPLOYERS REPORTING TRAINING: TRAINING PRACTICES DURING THE LAST 12 MONTHS – STATE, FEBRUARY 1994**

<i>Training practices</i>	<i>Per cent of employers</i>								
	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Aust.</i>
Employers reporting in-house training	59.0	60.1	72.0	64.9	61.4	*	94.8	81.1	<b>61.6</b>
Employers with a written training plan(s)	27.3	25.7	41.6	36.9	27.3	*	*53.3	52.5	<b>29.9</b>
Employers with a qualified trainer(s)	30.7	31.9	39.7	32.9	37.7	*	58.3	*41.6	<b>33.3</b>
Employers with a full-time trainer(s)	4.1	4.5	5.6	2.6	*2.7	*	*	*5.9	<b>4.1</b>
Employers used formal training needs analysis	16.3	17.9	25.0	28.1	27.8	*	*36.4	48.4	<b>21.1</b>

## **Change in training expenditure**

A higher proportion of employers in the two territories than in the states, who provided formal training for their employees, reported training expenditure increased during the reference period. (Table 38)

Employers in Tasmania (67%) reported no change in training expenditure during the reference period, more often than employers in any other state or territory.

**TABLE 38. EMPLOYERS REPORTING TRAINING: CHANGE IN TRAINING EXPENDITURE DURING THE LAST 12 MONTHS – STATE, FEBRUARY 1994**

<i>Change in training expenditure</i>	<i>Per cent of employers</i>								
	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Aust.</i>
Increased expenditure	42.8	41.9	48.5	49.0	44.3	*	73.4	65.6	<b>43.8</b>
Decreased expenditure	*5.4	*6.0	*2.7	*	*2.6	*	*0.9	*	<b>4.9</b>
No change in expenditure	51.8	52.2	48.9	48.0	53.1	66.9	*	*27.6	<b>51.3</b>
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>

## EXPLANATORY NOTES

### *Introduction*

This publication primarily presents the results of the Training Practices Survey, 1994 (TPS). The sample of employers for this survey was the same as that for the Training Expenditure Survey (TES) conducted in 1993. The results of these two surveys are therefore directly comparable and TES data has been used in the analysis provided in this publication.

The TES collected data on employers' expenditure on formal training during the three month period, 1 July to 30 September 1993. Training expenditure includes wages and salaries for trainers and trainees, fees paid to consultants and other indirect costs. The TES also collected information on hours of training received by employees.

The TPS collected information from employers in Australia on factors affecting the provision of training and how training is planned. It sought information on training practices as they applied to the organisation as a whole, not to individual employees. The TPS was conducted for the first time in 1994.

Most questions in the TPS required 'tick' box responses. Therefore, estimates can only be obtained at the organisation level. Whether training practices apply to the entire organisation, or only part of the organisation, could not be ascertained.

Questions in the TPS were not asked in relation to specific dates. Rather, two time periods were specified:-

- a) questions about training practices and the operation of organisations during the 12 month period ending February 1994, referred to 'during the last 12 months'.
- b) specific questions about the influence of the Training Guarantee legislation, introduced in 1990, referred to 'the period since 1990'.

Most estimates derived solely from the TPS are expressed as a percentage of employers. However, where data from the TES has been analysed against responses in the TPS, the estimates are presented as either: training expenditure as a percentage of employers' total gross wages and salaries, training hours per employee or training dollars per employee.

### *Scope of the survey*

The survey covered employers in all States and Territories and all industries except for: employers primarily engaged in agriculture, forestry, fishing and hunting; private households employing staff; overseas embassies, consulates, etc.; and the Australian permanent defence forces.

## EXPLANATORY NOTES *CONTINUED*

### *Survey design*

The TPS used the same sample of employers as had been selected for the conduct of the TES 1993. The sample consisted of approximately 6,000 employers selected from the ABS register of businesses. The sample was stratified by sector, industry and employer size.

The statistical unit for the survey comprised all activities of a management unit in a particular State or Territory. Each statistical unit was classified to an industry which reflected the predominant activity of the management unit in the State or Territory. In the case where a management unit had a significant number of employees in more than one industry, a separate statistical unit was created for each industry. The statistical units are referred to as employers for this collection.

### *Survey data*

The TPS collected data on: the number of employees by occupation; which occupational groups received formal training; reasons for employers training their employees; how training is structured; the impact of the Training Guarantee legislation; and change in training expenditure during the reference period. It also sought information on changes in the organisation that may have affected the need for training, e.g. if there was a significant change in the operations of the business.

The TPS and TES collected data relating to formal training. This is defined as training activities which have a structured plan and format designed to develop employment related skills and competencies.

Despite the importance of informal training in improving job skills, informal training was excluded from the scope of both surveys because of the considerable difficulties associated with its measurement. However, if on-the-job training is structured and so fits the definition of formal training, it was included in the surveys.

The TPS considered the training practices of the employer as a single unit. Therefore the size of the employer was not a factor in the weighting of survey responses, one small employer is equal to one large employer.

### *Survey methodology*

The TPS was dispatched in February 1994 to the same person who had provided data for the TES which was conducted five months earlier. However, some questions may have been answered by persons other than this contact person. Most questions were answered by a 'tick' to the appropriate box(es).

All employers answered questions relating to employees and factors affecting the operation of the organisation such as any significant change in operations during the 12 month period ending February 1994. The information from these questions

*Survey methodology (continued)*

was used to identify factors which may have affected the need for employee training, as well as providing a profile of employers who provided no formal training for employees during the reference period.

Employers who reported that they had provided some formal training for employees during the previous 12 months, were also asked to complete questions relating to their training practices during that period and the impact of the Training Guarantee legislation since its introduction in 1990. Employers who reported that they had not provided any formal training for employees during the previous 12 months were not asked to complete these questions.

*Reliability of estimates*

The reliability of estimates is affected by the level of response to a survey. Employers responded favourably to the TPS, with over 98 per cent providing completed questionnaires.

Estimates are subject to sampling and non-sampling errors. These concepts are explained in the Technical Notes.

The sample design for TES and TPS is outlined below to explain why some TPS data has been subject to high sampling variability. There are two main reasons for this:

1. Stratified sampling was the method used to select participants in the TES and TPS. It is based on the premise that it is possible to reduce sampling variability by:
  - a) allocating all employers into a number of mutually exclusive groups (or strata), where each stratum is relatively homogeneous, i.e. employers of similar size within a state by industry classification; then
  - b) selecting independently, a sample from each stratum. Using this sample, estimates and measures of sampling variability are calculated separately for each stratum before being aggregated to produce the overall survey results.

In any stratum involving the smaller sized employers, a limited number of employers are sampled from the total in the stratum. These selected employers represent the other employers who were not selected from the stratum and are given a weight greater than one to reflect this. Estimates coming from such a stratum are subject to sampling variability.

In the TES (and therefore TPS which used the same sample of employers) all of the larger employers within the state by industry classification were automatically placed in the survey sample. They were expected to contribute significantly to estimates of training expenditure and were included to ensure the accuracy of expenditure estimates. These larger employers were therefore placed in a 'completely enumerated'



*Reliability of estimates (continued)*

stratum, with each such employer representing only itself and therefore having a weight of one. Estimates from the completely enumerated strata have no sampling variability.

When financial data is collected as was the case in TES, the large employers contribute the most (for example, in TES 1993, employers with 100 or more employees, contributed over 80 per cent of the total training expenditure). This means that TES data has very high reliability because most of the training expenditure is contributed by units in completely enumerated strata.

By contrast, the large number of small employers operating in Australia (in TES and TPS approximately 90 per cent of employers reported having 1 to 19 employees), means that when data is presented as a 'per cent of employers', the training practices of small employers have contributed most to the total figures for TPS. The data of small employers is subject to sampling variability because one small employer represents many other small employers. This has led to some results from the TPS being subject to high sampling variability.

In particular, information at the detailed industry levels, as presented in the publication of data from the TES (see Cat. 6353.0), has not been possible to the same extent for data from the TPS.

2. In some cases, small numbers of employers have responded to a particular category within a question of the TPS and these particular results can be subject to high sampling variability.

*Related publications*

The following publications are available from the ABS Bookshop in each State:

*Employer Training Expenditure, Australia, July to September 1993* (6353.0) — Also published in 1989 and 1990. This publication contains results of the Training Expenditure Survey, 1993, which provides estimates on the costs incurred by employers in providing formal training for employees. This includes information on: how many employers are providing training, time spent by employees receiving training, how much employers are spending on training, component costs of training, and types of training provided.

*Training and Education Experience, Australia, 1993* (6278.0) — (previous issue was titled *How Workers Get Their Training, Australia, 1989*). It includes information on: who receives training, what training they receive, what assistance people receive to train, what training people need for their jobs, how training is provided, why people train and with what outcomes, recent study towards an educational qualification, educational attainment, computer literacy, demographic and labour force characteristics.

## EXPLANATORY NOTES CONTINUED

### *Related publications (continued)*

*Career Paths of Persons with Trade Qualifications* (6243.0) — to be released in December 1994. Last issued 1990. It will include information on: what trade qualifications are held and whether obtained through an apprenticeship, how many are still working in their trade, those using trade skills, any breaks from the trade and why, who has left the trade and why, and demographic and labour force characteristics.

*Education and Training in Australia* (4224.0) — irregular, first issued in 1992.

*Transition From Education to Work, Australia* (6227.0) — issued annually.

*Participation in Education, Australia* (6272.0) — issued annually (previously issued as *Labour Force Status and Educational Attendance, Australia*).

*Labour Force Status and Educational Attainment, Australia* (6325.0) — issued annually, final issue February 1994.

*Schools, Australia* (4221.0) — issued annually.

*A Directory of Education and Training Statistics* (1136.0) — irregular, first issued in March 1993. (free issue)

### *Symbols and other usages*

- \* Subject to sampling variability too high for most practical purposes. See Technical Notes.

Where figures have been rounded, discrepancies may occur between sums of the component items and totals.

## UNPUBLISHED STATISTICS

The ABS offers a limited amount of unpublished data from this survey upon request. However, these estimates are subject to reliability and confidentiality constraints.

### *Estimates*

Estimates can be cross classified by the following :

- Sector
- Employer size
- Payroll size
- Industry
- State and Territory
- All employers
- Employers reporting training expenditure.

### *Measures*

Data can also be cross classified with the TES 1993 to obtain the following measures:

- Training expenditure expressed as a percentage of employer gross wages and salaries
- Average training expenditure per employee
- Average training hours per employee
- Average training expenditure per training hour.

However in this instance it should be remembered that TPS relates to a 12 month period and TES collected data for the three month period, 1 July to 30 September 1993.

Any inquiries about unpublished data and the cost of this service should be directed to Karen Collins on (06) 252 7798.

## TECHNICAL NOTES

Estimates in this publication are subject to sampling variability because they are based on information relating to a sample of employers rather than a full enumeration, (i.e. they may differ from figures that would have been produced if the information had been obtained from all employers). This difference, called sampling error, should not be confused with inaccuracy that may occur, for example, due to imperfections in reporting by respondents and errors made in processing the data. Such inaccuracy is referred to as non-sampling error and may occur in any enumeration, whether it be a full count (census) or sample.

### *Non-sampling error*

Efforts have been made to reduce the non-sampling error by careful design of the questionnaire and detailed checking of completed returns.

### *Sampling error*

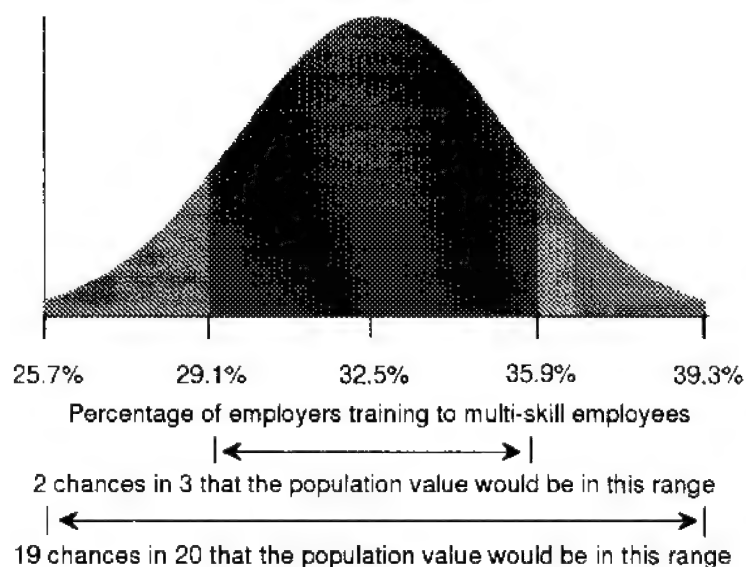
The sampling error associated with any estimate can be estimated from the sample results. One measure of sampling error is given by the standard error which indicates the degree to which an estimate may vary from a value that would have been obtained from a full enumeration (the 'true' figure). There are about two chances in three that a sample estimate differs from the 'true' value by less than one standard error, and about nineteen chances in twenty that a sample estimate differs from the 'true' value by less than two standard errors.

If the standard error of an estimate is large, relative to the size of the estimate, the usefulness of that estimate is seriously impaired. For the tables in this publication, estimates with standard errors greater than 25 per cent and less than 40 per cent of the estimate have been labelled with an asterisk. Estimates with standard errors of 40 per cent or more have not been published and an asterisk appears in place of the estimate.

An example of the use of standard errors follows. The estimate of percentage of employers with 1-19 employees in the Private sector training to multi-skill employees is 32.5%. From Table A1 this estimate has a relative standard error of 10.5%, and thus an absolute standard error of  $(0.105 \times 32.5)\%$ , or 3.4%. Hence the estimate minus one standard error is  $32.5 - 3.4$ , or 29.1%, and the estimate plus one standard error is similarly 35.9%. Again, the estimate minus and plus two standard errors is 25.7% and 39.3% respectively. There would, therefore, be about two chances in three that a full enumeration would have given a figure in the range 29.1% to 35.9%, and about nineteen chances in twenty that it would have been in the range 25.7% to 39.3%. This is shown in Diagram 1.

# TECHNICAL NOTES *CONTINUED*

**DIAGRAM 1. PROBABILITY DISTRIBUTION OF THE ESTIMATE OF PERCENTAGE OF EMPLOYERS**



**TABLE A1. EMPLOYERS REPORTING TRAINING: REASONS FOR TRAINING EMPLOYEES DURING THE LAST 12 MONTHS – EMPLOYER SIZE BY SECTOR – RELATIVE STANDARD ERRORS, FEBRUARY 1994**

<i>Per cent of employers</i>				
<i>Reasons for training</i>	<i>1–19 employees</i>	<i>20–99 employees</i>	<i>100 or more employees</i>	<i>Total</i>
<b>PRIVATE</b>				
Improve work performance of employees	4.0	1.9	0.7	2.8
Enable movement to other positions within organisation	9.3	5.7	4.7	6.1
Multi-skill employees	10.5	5.4	4.7	6.5
Meet Training Guarantee requirements	11.1	6.2	7.6	7.1
<b>PUBLIC</b>				
Improve work performance of employees	22.9	0.7	1.3	3.5
Enable movement to other positions within organisation	23.8	23.9	4.8	10.0
Multi-skill employees	14.1	25.9	3.4	9.0
Meet Training Guarantee requirements	39.6	24.9	12.1	15.1
<b>TOTAL</b>				
Improve work performance of employees	4.0	1.7	0.6	2.7
Enable movement to other positions within organisation	9.2	5.5	3.9	5.8
Multi-skill employees	10.3	5.3	3.8	6.2
Meet Training Guarantee requirements	10.9	6.0	6.6	6.8

## GLOSSARY OF TERMS

<i>Administration/accounting (training records used for)</i>	Training records are kept for accounts, annual reports, reports on training, survey returns, etc.
<i>All current employees adequately trained</i>	Employees have the skills required to adequately perform all aspects of their work and there is no reason for further training.
<i>All employers</i>	Estimates are based on all statistical units that reported at least one employee during the reference period.
<i>Amount of money to be spent on training</i>	How much money should be spent developing the work related skills and knowledge of employees.
<i>Amount of time to be spent on training</i>	The number of hours that should be spent developing the work related skills and knowledge of employees.
<i>Amount of training provided to lower skilled employees</i>	Time or money spent by the organisation developing the work related skills and knowledge of lower skilled employees such as labourers.
<i>Apprentices</i>	Apprentices receive instruction and training in the relevant trade and perform routine tasks under direction. Organisations employing apprentices have been identified from data supplied in the Training Expenditure Survey, 1993.
<i>Average training expenditure</i>	Derived from the Training Expenditure Survey, 1993. It is usually presented as a percentage of employers' gross wages and salaries. (see <i>Training expenditure</i> )
<i>Award restructuring</i>	Restructuring of awards or changes in award conditions of employees during the reference period that may have affected the amount of training required by employees.
<i>Capital investment to increase productive capacity</i>	Occurs when new machinery or equipment, such as a new production plant or computer equipment, has been introduced with the intent of increasing productive capacity.
<i>Casual employees</i>	Employees who are not entitled to paid holiday or sick leave.
<i>Change in training expenditure</i>	An indication of any change in the overall level of expenditure on employee training. All expenditure relating to training is included. Employers were asked to tick a box indicating whether their training expenditure had increased, decreased or not changed. The amount of change could not be determined.
<i>Clerks, sales and service workers</i>	Clerks gather, record, order, transform, store or transmit information on print or electronic media, e.g. secretary, receptionist. Sales and service workers sell commodities or provide services, e.g. sales representative, checkout supervisor.

## GLOSSARY OF TERMS *CONTINUED*

<i>Competition from other businesses</i>	Any change in the amount or type of competition from other organisations, in Australia or overseas, that may have had an impact on the level of training expenditure, e.g. a need to increase skills of staff to create higher quality goods/services to "keep up" with the competition may have led to an increase in training.
<i>Consultation with employees on training issues</i>	Communication between employers or management, and employees about training issues as they affect individual employees, groups of employees or the organisation as a whole.
<i>Cost constraints</i>	Insufficient funds were available to give employees the training employers would like them to have, e.g. not able to pay for an external training course or relief staff to replace an employee receiving training.
<i>Decreased employer size</i>	Where an organisation has decreased in size in the 12 months from the start to the end of the reference period, by at least 10 per cent and at least 20 employees.
<i>Designed training plan</i>	Development of the structure and content of an organisation's written training plan.
<i>Development of new products or services</i>	Where an organisation has undertaken the development of products or services not previously provided by that organisation.
<i>Difficulty in recruiting skilled labour</i>	Problems recruiting staff who already had some of the relevant skills required to successfully perform the duties they would be employed to undertake.
<i>Ease of access to external training</i>	How easy it was to obtain the services of an external training provider, e.g. difficulties may have been encountered when relevant external training was not available in the vicinity or not available at suitable times.
<i>Employees</i>	All persons who received a wage or salary during the survey reference period. All permanent, temporary, casual, managerial and executive employees are included. Employees on paid leave and those employees on workers' compensation who continue to be paid through the employer's payroll are also included. Excluded are employees who were not paid during the survey reference period, employees on leave without pay, on strike or stood down without pay for the whole reference period.
<i>Employees, number of</i>	The number of employees of an organisation was calculated as those who received pay for any part of the last pay period ending on or before 18 February 1994.

## GLOSSARY OF TERMS *CONTINUED*

<i>Employer</i>	The statistical unit used in the survey. This comprised all activities of a management unit in a particular State or Territory. Each statistical unit was classified to an industry which reflected the predominant activity of the management unit in the State or Territory. In the case where a management unit had a significant number of employees in more than one industry, a separate statistical unit was created for each industry.
<i>Employer size</i>	To produce statistics for various employer sizes, each statistical unit was allocated a size classification based on the number of employees reported.
<i>Employers reporting training</i>	Estimates on training practices are derived from those statistical units that reported providing some formal training for employees during the reference period.
<i>Enable movement to other positions within organisation</i>	Where employers train their employees so they are able to move to more highly skilled or responsible positions within the organisation; or to fill identified vacant positions from within the organisation, rather than recruiting new employees from outside the organisation.
<i>Endorsed training plan</i>	Approval of the organisation's written training plan(s). The approval may be written or verbal.
<i>Equipment manufacturer/supplier</i>	Organisations such as computer companies, machinery manufacturers and franchise dealers that provide some training either with the sale of a product, or as an additional service. Their main business is the manufacture and/or supply of equipment.
<i>Evaluated earlier courses</i>	When courses were evaluated or assessed in order to make improvements or changes to their content. This assessment may be by the course participants (through questionnaires completed after the training course), trainers or managers.
<i>External consultants</i>	An external consultant is not an employee of the organisation but may be hired by the employer to undertake specialised tasks.
<i>External providers ran courses at unsuitable times</i>	The organisation could not find external training courses offered at times which suited their employees.
<i>External training providers</i>	Training may be provided to an employee by an organisation other than their employer. Such organisations include: TAFE, universities, private training providers, industry or professional associations, and equipment manufacturers.
<i>Formal methods used to determine training needs</i>	Includes formal training needs analysis and performance appraisal where a structured format or plan is used in order to determine the training needs of employees.



## GLOSSARY OF TERMS CONTINUED

<i>Formal training</i>	All training activities that have a structured plan and format designed to develop employment related skills and competencies. It consists of periods of instruction, or a combination of instruction and monitored practical work. The instruction can take the form of workshops, lectures, tutorials, training seminars, audio-visual presentations, demonstration sessions or monitored self-paced training packages.
<i>Formal training needs analysis</i>	The process of determining the knowledge and skills that employees need and the training required to attain them. It can be used for all employees of the organisation, particular groups of employees or individuals.
<i>Full-time qualified trainer</i>	Employees who spend all of their time on the development, delivery, evaluation or administration of formal training.
<i>Gross wages and salaries</i>	Payments to all employees before tax and other items such as superannuation are deducted. Payments comprise ordinary time and overtime earnings; over-award payments; penalty payments, shift and other remunerative allowances; commissions and retainers; payments under incentive or piecework; payments under profit-sharing schemes; leave loadings; bonuses; annual and long service leave payments; sick leave payments; advance and retrospective payments; salaries and fees paid to company directors who are paid a salary, members of boards, committees, commissions, councils, etc.; payments to employees on workers' compensation which are not covered by insurance i.e. 'make-up' pay. Excluded are severance, termination and redundancy payments. Gross wages and salaries of organisations has been derived from the Training Expenditure Survey, 1993.
<i>Immediate supervisors</i>	The level of management immediately above the employee, e.g. line managers.
<i>Improve work performance of employees</i>	Where employers train employees to improve their skills, knowledge, efficiency or work output.
<i>In-house training</i>	Organised by employers primarily for their own employees, using the employers' own staff, or consultants, e.g. where a consultant designs a program specifically for the employer. In-house training can be conducted at an off-site location. Only formal in-house training with a structured plan and format is included.
<i>Increased employer size</i>	Where an organisation has increased in size in the 12 months from the start to the end of the reference period, by at least 10 per cent and at least 20 employees.

## GLOSSARY OF TERMS CONTINUED

<i>Individual employees (involved in determining training needs)</i>	Whether employees participate in determining their own training needs. This may be informal or formal, e.g. an employee informally asking their supervisor or manager if they can attend a course, or more formally, the employee and supervisor determining the employees deficiencies and suggesting appropriate training.
<i>Industrial relations issues</i>	Labour relations between the employer and relevant unions, e.g. demarcation issues, or where union members might be working to rule and may not be allowed to attend training.
<i>Industry</i>	Industry is classified according to the <i>Australian Standard Industrial Classifications</i> (ASIC) 1983 Edition (1201.0).
<i>Industry association</i>	An association of people representing organisations within an industry, that exists with a formal structure and with some purpose relating specifically to that industry, e.g. Retail Trades Association.
<i>Informal methods used to determine training needs</i>	Includes any method of determining training needs which does not fall into another category. This may include determining training needs "as the need arises" or by using informal discussions.
<i>Informal training</i>	Informal training is excluded from the scope of this survey. That is, any unstructured on-the-job training, e.g. being shown how to do things as the need arises, learning by doing a job.
<i>Initial training</i>	The training required to perform a job in which an employee has had little or no previous experience. It may be provided to new employees, or existing employees starting a new job and can last different lengths of time, e.g. half a day for a checkout operator or 12 months or more for an apprentice. Only formal training with a structured plan and format is included.
<i>Introduction of new work practices</i>	Where procedures have been introduced to change the existing methods of undertaking work within an organisation, e.g. new quality control procedures, 'just in time' or new management procedures. New quality control procedures are changes in the way the organisation maintains quality or measures the quality of the product or service they produce. 'Just in time' is a manufacturing work practice which aims to have products ready when they are actually needed and not to have an excess supply. Management procedures may include introducing a team approach.
<i>Knowledge within organisation</i>	Use of the skills, knowledge or research of people within the organisation.

## GLOSSARY OF TERMS CONTINUED

<i>Labourers and plant operators</i>	Includes labourers and related workers, and plant and machine operators and drivers. Labourers and related workers perform routine duties, either manually or using equipment, e.g. cleaner, factory hand, packer. Plant and machine operators and drivers operate vehicles or large equipment, e.g. fork-lift driver, dry cleaning machine operator.
<i>Lack of qualified trainers</i>	The organisation does not have the qualified trainers necessary to conduct the training required.
<i>Large employers</i>	Organisations that employ 100 or more employees.
<i>Large increase in training expenditure</i>	Whether employers consider there has been a "large increase" in training expenditure. Employers were not asked to quantify this figure.
<i>Length of service of employees</i>	Number of years employees have been working for the organisation.
<i>Level of business activity</i>	Volume of sales or services of the organisation. It does not refer to the profitability of the organisation or to the revenue earned by the organisation.
<i>Management attitudes to training</i>	The opinion of the managers of an organisation regarding training needs and training practices.
<i>Managers and professionals</i>	Managers are in charge of the organisation's business functions and operations. They may also be responsible for a large number of people, e.g. managing director, production manager. Professionals perform analytical, conceptual or creative tasks with skills equivalent to a 3-4 year degree, e.g. a scientist, accountant.
<i>Managers/proprietor</i>	May include the general manager, owner/proprietor, sales manager etc. Training managers are not included in this category.
<i>Medium employers</i>	Organisations that employ between 20 and 99 employees.
<i>Meet Training Guarantee requirements</i>	Where employers provide formal training for employees because they need to meet the Training Guarantee legislation requirement that the equivalent of 1.5 per cent of gross wages and salaries be spent on providing structured training for employees.
<i>Methods of evaluating training</i>	The way in which employers determine the effect current training practices have on the organisation.
<i>Methods of providing training to employees</i>	The way in which the development of work related knowledge and skills has been delivered to employees.
<i>Monitoring training</i>	Keeping a record of the training provided for individuals or groups of employees, e.g. the number of courses attended during the past 12 months.

## GLOSSARY OF TERMS *CONTINUED*

<i>Multi-skill employees</i>	Where employers train employees to enable them to perform more than one job.
<i>No methods used to determine training needs of employees</i>	When employers do not determine training needs of employees at all, e.g. the formal training provided may be set out as part of a program over which the employer has no control.
<i>No suitable external training available</i>	More training would have been provided for employees if there had been relevant external training available at times that suited the employer.
<i>Number of courses to be attended by employees</i>	How many training courses employees should attend in a given time period.
<i>Occupational group</i>	Occupational groups have been derived from occupations grouped according to the Australian Classification of Occupations (ASCO) First Edition (1222.0).
<i>On-going training</i>	Training that is designed to maintain, broaden or improve the skills of an employee who is already capable in a given job. It can be conducted in-house or externally. Only formal training with a structured plan and format is included.
<i>Only recruited trained people</i>	New employees were already fully skilled when employment commenced and therefore employers did not need to provide any formal training for these employees.
<i>Only to meet Training Guarantee requirements</i>	The only reason employers provided training or kept training records was to meet legislative requirements (see <i>Training Guarantee legislation</i> ).
<i>Organisations</i>	In this publication the terms 'employers' and 'organisations' are used interchangeably (see the <i>Survey design</i> section in the Explanatory Notes for an explanation of the statistical unit of the survey).
<i>Other legislation</i>	Includes legislation other than the Training Guarantee legislation, that may have changed training expenditure, e.g. Occupational Health and Safety legislation and Affirmative Action legislation.
<i>Para-professionals and technicians</i>	Para-professionals and technicians perform complex technical tasks, either supervised or unsupervised, e.g. police officer, registered nurse or building construction supervisor.
<i>Percentage of gross wages and salaries</i>	Estimates of training expenditure are expressed as a percentage of employers' total gross wages and salaries for the period 1 July to 30 September 1993. Training expenditure includes both wages and salaries and other expenditure, e.g. consultants fees. Training expenditure and gross wages and salaries have been derived from data provided in the Training Expenditure Survey, 1993.

## GLOSSARY OF TERMS *CONTINUED*

<i>Performance appraisal</i>	A formal process where performance feedback is provided to employees. An employee's strengths and weaknesses are identified and appropriate training needs determined.
<i>Planning training</i>	Deciding how the work related skills and knowledge of employees will be developed in the future.
<i>Practices used in other industries</i>	The organisation sought advice, assessed or looked at training practices in other industries to help determine the content of their own in-house training courses.
<i>Practices used in similar organisations</i>	The organisation sought advice, assessed or looked at training practices in similar organisations to help determine the content of their own in-house training courses.
<i>Practices used in other countries</i>	The organisation considered training practices used in other countries to help determine the content of in-house training courses, e.g. some organisations are part of an international company and they may investigate the type of training conducted by their international counterparts.
<i>Private sector</i>	See <i>Sector</i> .
<i>Private training provider</i>	Organisations whose primary business activity is the provision of training and who mainly train for profit, e.g. training consultants and business colleges.
<i>Professional association</i>	An association of individuals within a profession or some other skilled occupation, which exists with a formal structure and with a purpose of representing the interests of its members.
<i>Public sector</i>	See <i>Sector</i> .
<i>Qualified trainer</i>	A person who has both knowledge of the subject matter and has either completed a short "trainer training" course, has at least 3 years experience in the design or delivery of training, or has completed a diploma or tertiary qualification in training. The person may be a full-time trainer or training may be just one part of their duties, e.g. a production supervisor who also provides formal training occasionally.
<i>Quality assurance</i>	The prevention of quality problems through planned and systematic activities. This includes the establishment of a good quality management system and the assessment of its adequacy, the audit of the operation of the system and review of the system itself.
<i>Reference period</i>	The survey collected employers' training practices during the 12 month period ending February 1994. The reference period for reporting the number of employees was the last pay period ending on or before 18 February 1994. All employees who received pay during that pay period were included.

## GLOSSARY OF TERMS *CONTINUED*

<i>Restructuring of organisation</i>	Any changes in the way the organisation was structured during the reference period, e.g. takeovers, mergers or changes in management and/or occupational structures.
<i>Reviewed training plan</i>	Assessment of a written training plan, e.g. whether the aims of the plan were achieved, how many people attended training and the type of training provided.
<i>Risk of losing trained employees</i>	When an employer considers that the training they have provided for an employee will increase the employee's chance of being employed by another organisation.
<i>Sector</i>	All statistical units are classified to the public or private sector. The public sector includes local government authorities and all government departments, agencies and authorities created by, or reporting to the Commonwealth and State Parliaments. The remaining statistical units are classified as private sector.
<i>Significant change in operations</i>	The business conducted by the organisation has changed in what the employer considers to be a "significant" way. Employers were not asked to quantify this change.
<i>Small employers</i>	Organisations that employ 1 to 19 employees.
<i>Small increase in expenditure</i>	Whether employers consider there has been a "small increase" in training expenditure. Employers were not asked to quantify this figure.
<i>TAFE</i>	College of Technical And Further Education.
<i>Technological change</i>	The introduction of any new or upgraded machinery or equipment which resulted in a change in training expenditure during the reference period, e.g. a new computer system or an upgraded machine which resulted in extra training.
<i>Time constraints</i>	Employees did not have the time to attend training because they were needed to perform their normal duties, e.g. to meet production or sales targets.
<i>Total amount of training provided to all employees</i>	Total number of hours spent, or expenditure on, providing training for all employees of the organisation.
<i>Tradespersons and apprentices</i>	Tradespersons have skills equivalent to a trade certificate, e.g. welder, hairdresser. Apprentices receive instruction and training in the relevant trade and perform routine tasks under direction, e.g. apprentice welder, apprentice hairdresser.
<i>Trainees</i>	Employees who are undertaking a structured or unstructured formal training scheme which will normally lead to promotion when the program has been successfully completed. This includes participants in the Australian Traineeship System and other types of trainees, e.g. Trainee Manager.

## GLOSSARY OF TERMS *CONTINUED*

<i>Trainers/training manager</i>	Employees whose duties, either full-time or part of the time, are to assist in the training functions of the organisation.
<i>Training expenditure</i>	The sum of employers' expenditure on training including: employees' gross wages and salaries for time receiving and providing formal training, fees paid to consultants and institutions, and other expenditure on formal training. When an actual amount of training expenditure is reported, e.g. training dollars per employee, training expenditure has been derived from data provided in the Training Expenditure Survey, 1993.
<i>Training expenditure per employee</i>	Estimated training expenditure during 1 July to 30 September 1993, divided by the estimated total number of employees. Training expenditure per employee has been derived from data provided in the Training Expenditure Survey, 1993. The Training Expenditure Survey did not collect information on the number of employees who actually received training.
<i>Training Expenditure Survey, 1993</i>	The Training Expenditure Survey, 1993 was conducted for the period 1 July to 30 September 1993. Information was collected on the amount of money and time spent providing formal training for employees, including wage and salary costs for time spent by employees receiving training, fees paid to consultants and other indirect costs. Information from this survey has been published in <i>Employer Training Expenditure, Australia, July to September 1993</i> (6353.0).
<i>Training Guarantee legislation</i>	The Training Guarantee legislation was introduced in 1990. The legislation states that Australian employers with an annual payroll over a set amount will commit a proportion of their payroll to providing structured training for employees which is solely work related. In 1990-91, the threshold was \$200,000 and employers with an annual payroll exceeding that amount were required to spend the equivalent of 1.0 per cent of their payroll on training their employees. At the time of the 1994 survey, the threshold was \$226,000 (or \$56,500 per quarter) and the percentage stood at 1.5 per cent.
<i>Training Guarantee threshold</i>	See <i>Training Guarantee legislation</i> . Employers above the Training Guarantee threshold have been identified using data from the Training Expenditure Survey, 1993. This survey collected the amount paid to employees as gross wages and salaries during the period 1 July to 30 September 1993. Therefore, any employer whose gross wages and salaries paid during that period was \$56,500 or more (1/4 of \$226,000), has been classified as being above the Training Guarantee threshold.
<i>Training hours per employee</i>	The estimated total number of hours of training received by employees during 1 July to 30 September 1993, divided by the estimated total number of employees. Training hours per employee has been derived from data provided in the Training Expenditure Survey, 1993. The survey did not collect information on the number of employees who actually received training.



## GLOSSARY OF TERMS *CONTINUED*

<i>Training needs analysis</i>	See <i>Formal training need analysis</i> .
<i>Training plan</i>	See <i>Written training plan</i> .
<i>Training records</i>	Records that show either the amount of expenditure on employee training, and/or the amount or type of training provided to individual employees or groups of employees.
<i>University</i>	University includes any higher education institution, such as universities and Institutes of Technology.
<i>Way training budgets are planned</i>	Methods used to determine the amount of money to be spent on training and how the money will be spent.
<i>Way training is planned</i>	Methods used to determine training requirements and how training will be provided to employees.
<i>Written training plan</i>	A document that sets out the means by which the skills of employees are to be improved and developed. It can cover individual employees, groups of employees or all employees.
<i>Years of operation</i>	The length of time the organisation has been operating, ignoring changes of name or ownership that did not affect the nature of the organisation's business.



## **EMPLOYER TRAINING EXPENDITURE, AUSTRALIA, JULY - SEPTEMBER 1993**

This publication provides estimates on the amount of money spent by employers in training their employees. Information on employer training expenditure is available by industry, employer size, sector and state. These can be cross-classified to provide detailed information on:

- ♦ the time employees spend receiving training;
- ♦ how many employers are providing training;
- ♦ how much employers are spending on training;
- ♦ component costs of training; and
- ♦ types of training provided.

This publication *Employer Training Expenditure, Australia, July - September 1993* (Cat. No. 6353.0), is available for \$25.00 from the ABS Bookshop in your state.

## **TRAINING AND EDUCATION EXPERIENCE, AUSTRALIA, 1993**

The training and education experiences of people in Australia have been obtained from this household survey which was conducted in April to May 1993. The employed (including employers and self employed), unemployed and those marginally attached to the labour force were all surveyed.

Detailed information is available on:

- ♦ who receives training;
- ♦ what training they receive;
- ♦ what assistance people receive to train;
- ♦ what training people need for their jobs;
- ♦ how training is provided; and
- ♦ why people train and with what outcomes.

Also available is data about:

- ♦ recent study towards an educational qualification;
- ♦ educational attainment;
- ♦ computer literacy; and
- ♦ demographic and labour force characteristics.

This publication *Training and Education Experience, Australia 1993* (Cat. No. 6278.0) is available for \$30.00 from the ABS Bookshop in your state.



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